

NEIFELD DOCKET NO: PIP-69A-KATZ

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

**BPAI appeal docket no: 2008-5179.**

Application/Patent No: 09/776,714

USPTO CONFIRMATION NO: 2896

File/Issue Date: 2/6/2001

Inventor/Title: Gary M. KATZ/Method and System for Timing Promotions Based on a Prior Receipt of Promotions

Examiner/ArtUnit: ALVAREZ/3688

ASSISTANT COMMISSIONER FOR PATENTS

ALEXANDRIA, VA 22213-1450

**37 CFR 41.37 ALTERNATIVE/SUPPLEMENTAL APPEAL BRIEF**

Sir:

In response to the office action dated November 18, 2008, and further to the appeal brief filed earlier today, the applicant files this alternative appeal brief.

NOTES TO THE BPAI PANEL

1. On 8/18/2008, the BPAI issued a docketing notice specifying appeal docket no: 2008-5179. That docketing notice has not been withdrawn, despite intervening examining corps action. Accordingly, the appellant includes that docket number in this correspondence, assuming it to be accurate and required. Rejection of appeal brief for inclusion of that BPAI docket number would be improper.
2. This appeal brief contains a claim appendix presenting a claim appendix showing claims as they appear subsequent to the supplemental amendment filed 12/7/2008, having corrected

claim numbers for claims 62, 63, and 65.

The dual brief filings (this alternative/supplemental brief, and the original brief) are required to avoid risk of loss in view of 37 CFR 1.111(a)(ii), 37 CFR 41.37(d) and (c)(2) or 41.33(c) and the indefinite status of entry of the supplemental amendment filed to correct the claim numbering. The BPAI is free to chose which brief to consider and to refuse consideration of the other brief; both briefs are identical as to substantive arguments.

3. The appellant also filed a petition prior to filing this brief, the petition challenges the procedural sufficiency of the 102 rejections, which is the same issue discussed as a substantive issue viz prima facie showings herein below. Please note the appellant's request to make any decision on that issue precedential.

**I. 37 CFR 41.37 (A)(1) AND (2) - NOTICE OF APPEAL, BRIEF, AND FEES**

(a)(1) - This brief is filed with the notice of appeal.

(a)(2) - This brief is filed with the fee required for the notice of appeal and the brief. On April 7, 2005, the applicant (1) filed a Notice of Appeal and an Appeal Brief under 37 CFR 1.192 and (2) paid the \$500 fee for a notice of appeal and for an appeal brief as set forth in 37 CFR 1.17(b) and 37 CFR 1.17(c). The current fee for filing a notice of appeal and an appeal brief is \$540 for each, or \$1080 total. The \$80 difference was submitted 12/9/2008 by USPTO deposit account authorization. No additional fees are due.

**II. 37 CFR 41.37(B) - DISMISSAL OF APPEAL IF BRIEF AND FEES UNTIMELY**

The filing is timely and the required fee was paid today. Accordingly, this subsection is not relevant.

**III. 37 CFR 41.37(C)(1)**

The brief contains items (i) to (x) in subsections 1 - 10 below.

**1. 37 CFR 41.37(c)(1)(i) Real Party in Interest**

The real party in interest is Catalina Marketing Corporation, a Delaware corporation.

**2. 37 CFR 41.37(c)(1)(ii) Related Appeals and Interferences**

PIP-69B-KATZ, application 09/828,122, filed April 9, 2001 is a related application and has an appeal pending. That appeal was filed June 27, 2006 and the appeal has not been docketed at the BPAI.

**3. 37 CFR 41.37 (c)(1)(iii) -Status of claims. A statement of the status of all the claims in the proceeding (e.g., rejected, allowed or confirmed, withdrawn, objected to, canceled) and an identification of those claims that are being appealed**

Claims 1-65 are pending, are rejected, and are being appealed.

**4. 37 CFR 41.37(c)(1)(iv) Status of Amendments Filed Subsequent to Final Rejection**

No amendment has been filed after final rejection.

An amendment was filed 11/29/2008 in response to the 11/18/2008 non final office action appealed from. A supplemental amendment was filed 12/6/2008 to correct claim numbering for claims 62, 63, and 65. The claims presented in the claim appendix herein do reflect the supplemental amendment.

**5. 37 CFR 41.37(c)(1)(v) Summary of Claimed Subject Matter**

The invention of claim 1 is a computer-implemented method comprising steps of: a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643, ) receiving, via an identification input device, identification information from a consumer (figure 1 identification input device 638; page 8 lines 8-29); a processor (Fig. 1, processor 611, page 7 lines 1-4) storing in computer memory records of promotions received by said consumer (page 16 lines 4-13; Fig. 1 consumer purchase history table 617, figure 4a, 4b); a processor (Fig. 1, processor 611, page 10 lines 7-11) identifying from said records of promotions received by said consumer, based upon said received identification information, one or more parameters related to said promotions received by said consumer (page 3 lines 28 to page 4 line 3; page 16 lines 4-15; page 19 lines 13-21); and a processor determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer (page 16 lines 4-15; page 19 lines 13-14).

The invention of claim 28 is a system, comprising:  
means, including an identification input device consumer (figure 1 identification input device 638; page 8 lines 8-29), for receiving, at a processor, identification information from a consumer (figure 1 element 638; page 8 lines 8-29; Fig. 1 element 636, page 8 lines 6-16; processor 642 or 682, Fig. 1, page 11 lines 19-30);

means, including a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643, ), for storing in computer memory records of promotions received by said consumer (page 16 lines 4-13; figure 4a, 4b);

means, including a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643, ), for identifying from said records of promotions received by said consumer, one or more parameters related to said promotions received by said consumer based upon said identification information received by said means for receiving (Fig. 7 step 7401, page 3 lines 28 to page 4 line 3; page 16 lines 4-15; page 19 lines 13-21); and

means, including a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643 ), for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said consumer, said one or more parameters identified by said means for identifying (page 16 lines 4-15; page 19 lines 13-14). This is a means plus function recitation.

The invention of claim 30 is a system according to claim 28, further comprising means for providing said promotion at said time determined by said means for determining to said consumer identified by said means for identifying (page 9 lines 27-29; figure 1 elements 613, 615, 616, 617). This is a means plus function recitation.

The invention of claim 31 is a system according to claim 28, further comprising means, including a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643, ), for selecting a targeted promotion from a plurality of potential promotions stored in computer memory based upon said one or more characteristics of said consumer (page 12 line 13 through page 13 line 2; figure 2 elements 615, 644, 646), said time determined by said means for determining being for said targeted promotion (page 9 lines 27-29; figure 1 elements 613, 615, 616, 617). This is a means plus function recitation.

The invention of claim 32 is a system according to claim 28, further comprising means for receiving a predetermined promotion from a promoter (page 12 lines 19-22; figure 2 elements 644, 646), said time determined by said means for determining being for said predetermined promotion (page 9 lines 27-29; figure 1 elements 613, 615, 616, 617). This is a means plus function recitation.

The invention of claim 33 is a system according to claim 28, comprising: a consumer identification information receiver configured to receive consumer identification information (figure 1 element 638; page 8 lines 8-29); a consumer identification record configured to contain

stored consumer identification information (page 15 lines 17-30; figure 3B); a consumer characteristic record configured to contain a record of characteristics of said consumer (page 16 lines 3-6; figure 4A); a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer (page 18 lines 21-28); and a processor configured to use said received consumer identification information to identify a consumer using said stored consumer identification information (page 18 lines 7-11), and moreover to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record (page 19 lines 8-13).

The invention of claim 59 is a computer-implemented method, comprising: receiving identification information from a consumer at a vendor location site, comprising a vendor terminal, wherein said vendor terminal is located at a check-out counter in a store (page 8 lines 17-18; figure 1 elements 630, 638); identifying with a processor, based upon said received identification information, one or more parameters related to promotions received by said consumer (page 5 lines 25-27; figure 1 element 615); and determining with a processor, a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer (page 9 lines 25-29; figure 1 elements 613, 615, 616, 617).

The invention of claim 60 is a system, comprising:

means, including an identification input device (figure 1 identification input device 638; page 8 lines 8-29), for receiving identification information from a consumer at a vendor location site, which comprises a vendor terminal (Fig. 1 vendor terminal 632, page 7 lines 15-21), wherein said vendor terminal is located at a check-out counter in a store (page 8 lines 17-18; figure 1 elements 630, 638);

means, including a processor (Fig. 1, processor 611, page 7 lines 1-4, Fig. 1 processor 652, 643 ), for identifying one or more parameters related to promotions received by said consumer based upon said identification information received by said means for receiving (page 5 lines 25-27; figure 1 element 615); and means for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said

consumer, said one or more parameters identified by said means for identifying (page 5 lines 25-27; figure 1 element 615). This is a means plus function recitation.

The invention of claim 61 is a system, comprising: a consumer identification information receiver at a vendor location site configured to receive consumer identification information from a consumer, wherein said vendor location site is a check-out counter in a store (page 8 lines 6-29; figure 1 elements 630, 636, 638); a consumer identification record configured to contain stored consumer identification information of said consumer (page 9 lines 23-25; figure 1 element 614, figure 3B element 720); a consumer characteristic record configured to contain a record of characteristics of said consumer (page 10 lines 1-6; figure 1 element 615); a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer (page 11 lines 11-18; figure 1 element 634); and a processor configured to use said received consumer identification information to identify a consumer record using said stored consumer identification information, and to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record (page 11 lines 19-27; figure 1 elements 640, 643, 644, and 646).

The invention of claim 64 is a system according to claim 28, wherein said means for identifying one or more parameters related to promotions received by said consumer based upon said identification information received by said means for receiving comprises means for identifying by a digital processor (page 11 lines 22-27; figure 2 elements 610, 620, 682). This is a means plus function recitation.

The invention of claim 65 (erroneously numbered as the second occurrent of 64 in the amendment filed 11/29/2008) is a system according to claim 28, wherein said means for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said consumer, said one or more parameters identified by said means for identifying comprises means for determining by a digital processor (page 11 lines 22-27; figure 2 elements 610, 620, 682).

**6. 37 CFR 41.37(c)(1)(vi) Grounds of Rejection to be Reviewed on Appeal**

Whether the rejections of claims 1 and 28 under 35 USC 101 for allegedly not defining statutory subject matter are improper and should be reversed.

Whether the rejections of claims 1-5, 7, 9-21, 23-36, 39-42, 44-46, and 62-65 under 35 USC 102(c) as allegedly anticipated by Swix et al (6,718,551 hereinafter “Swix”) are improper and should be reversed.

Whether the rejections of claims 6, 8, 22, 37, 38, 43, and 47-61 under 35 USC 103 as allegedly obvious in view of Swix are improper and should be reversed. (NOTE: the summary of the 35 USC 103 rejections in the office action identifies only claims 6, 22, 38, and 47-61, but discussion of the 35 USC 103 rejections in the office action also refers to claims 8, 37, 43. See office action page 5 lines 1-4.)

**7. 37 CFR 41.37(c)(1)(vii) Argument in which each ground identified under section 37 CFR 41.37(c)(1)(vi) is treated in a separate section**

See the following sections.

**IV. 37 CFR 41.37(C)(VII) - ARGUMENT**

Arguments are presented for each of the issues specified in 37 CFR 41.37(c)(1)(vi), in the following major sections V, VI, and VII.

**V. WHETHER THE REJECTIONS OF CLAIMS 1 AND 28 UNDER 35 USC 101 FOR ALLEGEDLY NOT DEFINING STATUTORY SUBJECT MATTER IS IMPROPER AND SHOULD BE REVERSED**

**1. Claim 1**

In response to the rejection under 35 USC 101, claim 1 was amended to define a link to actual device structure, as suggested by the examiner.

Claim 1 recites:

1. A computer-implemented method comprising steps of:  
a processor receiving, via an identification input device, identification

information from a consumer;

a processor storing in computer memory records of promotions received by said consumer;

a processor identifying from said records of promotions received by said consumer, based upon said received identification information, one or more parameters related to said promotions received by said consumer; and

a processor determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer.

This method is tied to use of a particular machine by recitation of "a processor storing"; "a processor identifying"; and "a processor determining; "records"; "storing in computer memory", etc. Accordingly, rejection under 101 is improper.

Further, this claim does not define a mere disembodied mathematical algorithm.

## **2. Claim 28**

In response to the rejection of claim 28, appellant asserts this rejection is improper because claim 28 contains means plus function recitations and therefore is limited to embodiments in the specification, all of which included hardware. However, to avoid the issue, claim 28 was also amended to expressly recite structural elements.

Claim 28 recites:

28. A system, comprising:

means, including an identification input device, for receiving, at a processor, identification information from a consumer;

means, including a processor, for storing in computer memory records of promotions received by said consumer;

means, including a processor, for identifying from said records of promotions received by said consumer, one or more parameters related to said

promotions received by said consumer based upon said identification information received by said means for receiving; and

means, including a processor, for determining a time at which a promotion is to be provided based upon said one or more parameters related to said promotions received by said consumer, said one or more parameters identified by said means for identifying.

The "identification input device" is discussed in the specification and is part of a specific machine. Each of the "means" recitations corresponds to one or more structure elements in the specification. The claimed "processor" is part of a specific machine.

**VI. WHETHER THE REJECTIONS OF CLAIMS 1-5, 7, 9-21, 23-36, 39-42, 44-46, AND 62-65 UNDER 35 USC 102(E) AS BEING ANTICIPATED BY SWIX (USP 6,718,551) ARE IMPROPER AND SHOULD BE REVERSED**

**0. Summary of Arguments**

**REQUEST FOR PRECEDENTIAL DECISION** - The appellant requests a precedential decision regarding the first issue noted below, so that the examining corps and the bar are on notice as to what showings in an office action are sufficient to prima facie support a 102 rejection.

First, the examiner has not presented a prima facie case for the 35 USC 102(e) rejections of claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29-36, 39-42, 45-46 and 62-65 (dependent claims and independent claims differing from claim 1). From the office action, it is clear that the limitations of most claims are not addressed, and in a manner that would lead any reader to doubt that these claims were anticipated. Thus, the rejections of claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29--36, 39-42, 45-46 And 62-65 should be reversed.

Second, the examiner errs as to independent claims 1, 28, 59, and 60, and also independent claims 33 and 61 (all independent claims) because Swix does not disclose or suggest the claimed processor making a timing determination, as defined by all of these claims.

Third, the examiner errs as to independent claims 1, 28, 59, and 60 for the additional reason that Swix does not disclose (or suggest) the claimed processor making a timing determination based upon the claimed "parameters related to promotions received by said consumer."

Fourth, the examiner errs as to independent claims 33 and 61 because Swix does not disclose (or suggest) a processor making a timing determination based upon the claimed "characteristics of said consumer".

Fifth, Swix does not disclose limitations defined by many of the dependent claims.

**1. REQUEST FOR PRECEDENTIAL BPAI DECISION ON THIS ISSUE -  
The Examiner Has Not Presented A Prima Facie Case For The 35 USC  
102(e) Rejections Of Claims 2-3, 7, 9-15, 19-21, 23-25, 27, 29--36, 39-42, 45-46  
And 62-65**

**A. WHY THIS MAY BE AN IDEAL CASE FOR A PRECEDENTIAL  
DECISION**

This may be an ideal case for the BPAI to render a precedential decision what showings are sufficient on the part of an examiner to carry the examiner's burden of persuasion for a 102 rejection. The cited evidence is a U.S. patent. The issues are fairly clear. The citations to Swix in the office action are so short and non specific, that no reasonable reader would consider those citations disclosing the limitations of the large number of claims rejected based upon Swix.

The appellant respectfully requests that the panel consider the ongoing problem in prosecuting before examiners that fail to make a case on the record, that is, the burden that places on applicants, and then consider the burden that places on you on review. Please consider therefore making a decision in this case precedential regarding what the BPAI expects from examiners, and the relevant burdens of proof and persuasion viz 102 rejections.

**B. REASONING WHY THERE IS NO PRIMA FACIE CASE**

i. **WHAT IS THE STANDARD?**

A prima facie case requires carrying the burdens of proof and persuasion. The proof is the evidence. The persuasion is the reasoning that leads one to agree that an assertion is, for example, more likely true than not true.

Which raises the question what constitutes a prima facie case of rejection for an examiner in a 102 rejection.

The most *practical* definition of a prima facie case, from your perspective, is whether your reviewing court, the CAFC, would agree. The CAFC would never agree that showing an independent claim anticipated rendered all other claims anticipated! However, the CCPA and the CAFC have phrased the issue as one of burden of proof and persuasion without defining what constitutes carrying that burden for a 102 rejection based upon a patent. See for example In re Alton, 76 F.3d 1168, \_\_\_ 37 USPQ2d 1578, 1583-84 (Fed. Cir. 1996):

The examiner (or the Board, if the Board is the first body to raise a particular ground for rejection) "bears the initial burden . . . of presenting a prima facie case of unpatentability." In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). .... Once the examiner or Board carries the burden of making out a prima facie case of unpatentability, "the burden of coming forward with evidence or argument shifts to the applicant." Oetiker, 977 F.2d at 1445, 24 USPQ2d at 1444. To overcome a prima facie case, an applicant must show that the invention as claimed is adequately described to one skilled in the art. "After evidence or argument is submitted by the applicant in response, patentability is determined on the totality of the record, by a preponderance of the evidence with due consideration to persuasiveness of argument." *Id.* at 1445, 24 USPQ2d at 1444.

One metric of burden of persuasion for a 102 rejection is whether the rejection procedurally complies with 37 CFR 1.104's requirements that the "particular part relied upon must be designated" to "clearly explain... each rejected claim...." See also MPEP 706.

One metric could be whether the rejection appears reasonable on its face, that is, without reading the reference to check the alleged correlations of claim limitations to disclosure in a reference, the rejection appears to be facially sufficient. This is not a purely subjective test. For example, the rejection appears to individually address all limitations of each claim on a claim by claim basis, or that explains that a limitation is the same in a set of claims, and then correlates a portion of the reference to that limitation. Such aspects of a rejection are objective, not subjective factors. Another factor would be the length of a cited passage. Short cites, such as column 2 lines 2-5 suggest specificity, whereas long cites such as "see columns 2-4" suggest the examiner is groping. They are the types of factors that jump out, upon review, and provide a readily usable objective standard, even though "appears reasonable on its face" seems to be subjective.

One metric could be that, in rejecting multiple dependent claims and an independent claim, an assertion that limitations of the independent claim are met by the reference. However, that arguably does not comply with procedural due process, failing to identify to the applicant why the claim is rejected. This metric would be improper.

## **ii. THE FACTS OF THIS CASE**

The discussion in the office action of the 102 rejections is short, covering only 5 paragraphs and less than 2 pages of double spaced type. The first paragraph contains assertions that roughly corresponds to independent claim 1. However, it is that paragraph, and only that paragraph, upon which the examiner relies to support rejection under 102 of some 36 claims. See the paragraph spanning pages 3 and 4 in the office action. Those pages clearly do not individually identify any claim or claim limitation as corresponding to Swix. That is, no sentence in that paragraph identifies a particular claim and then identifies disclosure in Swix relating to that limitation.

However, this is not an isolated incident in this case, but a continuing pattern in the office actions in this application. The applicant has repeatedly identified that failing to the examiner in prior filing in response to rejections over Swix, giving the examiner ample opportunity to cure the failings in the office actions, - - to specify what in Swix discloses claimed limitations. For

example, the appeal brief filed 4/7/2005 contained a section entitled "The Examiner Has Not Presented a Prima Facie Case For The 35 USC 102(e) Rejections Of Claims 3, 7, 9-15, 19-21, 23-25, 27, 29-36, 39-42, 45-46 And 62-65". Similarly, the applicant addressed in detail the rejections based upon Swix in the amendment filed October 7, 2004, which included a section titled "The Examiner Has Not Shown, And Swix Does Not Disclose, The Limitations Of Dependent Claims 2, 3, 7, 9-15, 19-21, 23-25, 27, 29-32, 34-36, 39-42, And 45-46 And Independent Claim 33." The office action appealed from fails to address those repeated prior assertions; to provide any reasoning, citations to the evidence or interpretations of the claim recitations.<sup>1</sup>

Take as an example claim 23. Claim 23 is one of the 36 or so claims rejected under 102 cited only in the paragraph spanning pages 3 and 4 of the office action. Claim 23 recites "23.

The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises *determining a value of said promotions recently received by said consumer*." There is no discussion in the office action, much less in the paragraph spanning pages 3 and 4, of anything remotely related to what claim 23 defines.

### **iii. APPLYING THE POSSIBLE STANDARDS TO THE FACTS**

If the standard is compliance with 37 CFR 1.104, then the rejection fails to make a prima facie case because it has not specified the "particular part relied upon must be designated" to "clearly explain... each rejected claim...."

If the standard is "reasonable on its face", then the office action fails because the facts show that it objectively is unreasonable. No identification claim by claim. One paragraph addressing 36 or so claims. Not even an appearance of addressing all claims. And silence in the face of repeated allegations that the rejection failed prima facie.

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<sup>1</sup>The prior examiner's answer contained a "response to argument" section which appeared to address some of the applicant's arguments. See answer dated 6/7/2005 pages 10-11. However, the examiner has not maintained those arguments into the current office action, for the good reasons noted in appellants reply brief filed 12/26/2007. That reply brief stated, in toto, "In response to the examiner's answer mailed December 14, 2007, the applicant notes that the examiner's answer reiterates the arguments in the office action appealed from. It contains no new arguments. In response, the applicant notes that the examiner's arguments are addressed in the appeal brief."

The standard adopted by the examiner, however, is unworkable, and therefore rejections of these claims should be reversed for failing to carry the burden of persuasion.

**2. The Rejections of Independent claims 1, 28, 59, and 60; and independent claims 31 and 61, Under 35 USC 102**

Consider claim 1. Claim 1 recites:

1. A computer-implemented method comprising steps of:
  - a processor receiving, via an identification input device, identification information from a consumer;
  - a processor storing in computer memory records of promotions received by said consumer;
  - a processor identifying from said records of promotions received by said consumer, based upon said received identification information, one or more parameters related to said promotions received by said consumer; and
  - a processor *determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer.* [Italics added for emphasis.]

First, the examiner errors by equating Swix Figure 3 element 302 to the claimed "a processor *determining a time at which a promotion is to be provided*" which time is "*based upon said identified one or more parameters related to promotions received by said consumer.*"

Office action page 4 lines 1-5. Swix Figure 3 element 302 is unrelated to the claimed timing feature. Swix does not disclose a processor determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer, as defined by independent claim 1.

This application discloses that parameters related to promotions are data defining the nature of promotions already received, the type of promotions already received, the class of

promotions already received, the industry of promotions already received, the valid dates of promotions already received, the valid locations of promotions already received, the provision of promotions already received, the packaging of promotions already received, other products that must be purchased to exercise the promotions already received, the value of promotions already received, and/or the timing of promotions already received. See page 19 line 24 to page 20 line 3 of our specification.

Swix is directed to providing targeted advertisements. Title. According to its abstract, Swix discloses:

A method and system for providing targeted advertisements over a networked media delivery system, especially interactive television networks, the system comprising tracking and storing viewer selections, analyzing the selections, and delivering targeted advertisements that appeal to the particular subscriber making the selections, the system including a merge processor, a file server, a profile processor, and a broadcast server contained in a head end in communication with a plurality of set-top boxes through a distribution network. Based on a subscriber's viewing habits and account information, the present invention delivers different, customized advertisements to different viewers watching the same program or channel. The present invention delivers the advertisements as either still frame bit maps or as video streams advertisement insertion in a playlist or a broadcast media program.

However, providing targeted advertisements does not disclose the claimed processor determining a time to provide a promotion to a consumer, based upon "*parameters related to promotions received by said consumer*".

Regarding element 302 (relied upon by the examiner in the rejection), Swix states:

In a preferred embodiment of the present invention, the advertisement

insertion slot is in an interactive television menu screen. As an example, FIG. 3 shows progressive menu screens of a typical interactive television system. Each screen has an area 300 for displaying bit map or video advertisements forwarded by file server 102. In screen 302, the subscriber views the main menu having general viewing categories, such as movies, sports events, children's programs, and adult programs. After choosing "movies," in screen 304 the subscriber is presented with types of available movies, such as comedies, action, drama, and westerns. Upon choosing "westerns," screen 306 appears, giving the subscriber individual movie titles to order, such as "True Grit" and "High Noon." Finally, after ordering a particular movie, "True Grit," the interactive television system displays a marquee screen 308 that provides information about the movie, such as lead actors, director, and running time.

During this interactive session, the navigator records each subscriber selection as event data. In the preferred embodiment, the navigator uploads the latest event data to merge processor 100 every time a new targeted advertisement must be inserted. In this manner, profile processor 100 has the latest event data, along with the data from other databases, to assess a viewer's current interests. Thus, for example, in screen 302, the present invention could display a bit map or video movie trailer advertisement enticing the subscriber to look further into the menu options but not necessarily targeting a specific customer profile or demographic group. Then, once the subscriber has chosen "movies" and moved to screen 304, the present invention could display a bit map or video advertisement for popcorn knowing that this particular subscriber has watched several movies in the last month (from the event data) and that the subscriber indicated a liking for popcorn in a recent consumer spending survey (from survey database 126).

Nothing therein suggests a processor determining a time to provide a promotion based upon content of other promotions received by said consumer. Yes, Swix determines promotions to show the consumer. Yes, Swix shows promotions at regular intervals. But nothing in Swix

suggests *a processor determining the time* at which a promotion should be shown to the consumer based upon content of prior promotions received by the consumer. That is what claim 1 defines. Independent claims 28, 59, and 60 contain similar recitations. The rejections based upon Swix are improper for the same reasons as claim 1.

Swix also does not disclose claim 33's "processor configured to ... *determine said promotion time* at least in part *based upon* said record of characteristics of said consumer contained in said consumer characteristic record." As noted above in the discussion of claim 1, Swix does not disclose a timing determination of when to provide promotions to a person, and in addition nothing in Swix discloses or suggests such a determination based upon consumer characteristics. The same reasoning applies to independent claims 61.

In summary, nothing in Swix discloses or suggests any independent claim.

The examiner's reasoning is now discussed below. In support of the 35 USC 102(c) rejections the examiner stated that:

With respect to claims 1-3, 7, 9-15, 19-21, 23-25, 27-36, 39-42, 45-46, 62-65 Swiss [sic] teaches a computer implemented method (Abstract). Receiving identification information from a consumer (Figure 2, 210); identifying, based upon said received identification information, one or more parameters related to promotions received by said consumer (Figure 3, 302); determining a time at which promotions is [sic] to be provided based upon said identified one or more parameters related to promotions received by said consumer (col. 10, lines 52 to col. 11, lines 1-3). [Office Action date January 7, 2005 page 6 lines 20-26; repeated in office action dated 11/18/2008, paragraph spanning pages 3 and 4, interpolation supplied.]

In a prior office action, the examiner alleged that:

...Swiss [sic] teaches determining a time, such as when the user is watching a particular program in which to present to present [sic] further ads, based on the

user's receipt of previous ads. For example, when a user is [sic] has watched/received a commercial for outdoor adventure gear then the system determines when is the right time to display a commercial for a sport utility vehicle in which the user can carry out the adventure gear previously watched/received by the customer (col. 12, lines 43-60). [Office Action mailed 1/7/2005 page 9 line 17 to page 10 line 4; interpolation supplied.]

The passages of Swix relied upon by the examiner are copied below. Column 10 line 52 to column 11 line 3 of Swix states that:

During this interactive session, the navigator records each subscriber selection as event data. In the preferred embodiment, the navigator uploads the latest event data to merge processor 100 every time a new targeted advertisement must be inserted. In this manner, profile processor 100 has the latest event data, along with the data from other databases, to assess a viewer's current interests. Thus, for example, in screen 302, the present invention could display a bit map or video movie trailer advertisement enticing the subscriber to look further into the menu options but not necessarily targeting a specific customer profile or demographic group. Then, once the subscriber has chosen "movies" and moved to screen 304, the present invention could display a bit map or video advertisement for popcorn knowing that this particular subscriber has watched several movies in the last month (from the event data) and that the subscriber indicated a liking for popcorn in a recent consumer spending survey (from survey database 126). [Column 10 line 52 to column 11 line 3.]

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Column 12 lines 43 to 60 of Swix states that:

...advertisement for outdoor adventure gear, then watched a movie trailer about a wilderness hiking disaster, and finally ordered the feature movie

presentation about a wilderness survival competition.

According to the present invention, when the viewer orders the feature movie presentation, the pay-per-view service prepares to send the movie along with the commercials that will precede and follow the movie. At this point, profile processor 104 analyzes the event data and additional data, classifies the viewer in a certain demographic group, and delivers a commercial targeted for that group. As an example, given the viewer's interest in outdoor adventures, a suitable advertisement would be a commercial for a sport utility vehicle with specialized accessories that carry outdoor adventure gear. The present invention would deliver this advertisement as a full screen video stream played prior to or after the showing of the feature movie presentation.

Broadcast Advertisement Insertion [Column 12 lines 43-60.]

The examiner's assertions in view of these passages in Swix are now discussed. The examiner relied upon Swix column 10 line 52 to column 11 line 3 to support her assertion that "Swix teaches determining a time at which promotions is to be provided based upon said identified one or more parameters related to promotions received by said consumer." Clearly that assertion is wrong because Swix does not disclose determining a time to air these ads, in which that determined time is based upon parameters related to received promotions. Swix discloses airing the commercials when there is an open advertisement slot, like before or after a movie. See Swix column 9 lines 19-20 and column 12 lines 49-50. Nothing in Swix suggests a processor determining when to display an advertisement to the consumer based upon parameters related to promotions received by that customer, such as the nature, the type, the class, the industry, the valid dates, the valid locations, the provision method, the packaging, the products that must be purchased to exercise the promotions already received, the value, and/or the timing of promotions already received. The examiner's reliance on Swix column 10 line 52 to column 11 line 3 is misplaced because that passages discloses a system which displays a video advertisement based upon event data and a consumer survey; it does not disclose determining the time to display a promotion based upon parameters related to received promotions.

The examiner relied upon Swix column 12 lines 43-60 to support her assertion that “Swix teaches determining a time, such as when the user is watching a particular program in which to present further ads, based on the user’s receipt of previous ads.” Clearly that assertion is wrong because Swix does not disclose determining a time to air these ads, in which that determined time is based upon parameters related to received promotions. Swix discloses airing the commercials when there is an open advertisement slot, like before or after a movie. See Swix column 9 lines 19-20 and column 12 lines 49-50. Nothing in Swix suggests a processor determining when to display an advertisement to the consumer based upon parameters related to promotions received, such as the nature, the type, the class, the industry, the valid dates, the valid locations, the provision method, the packaging, other products that must be purchased to exercise the promotions already received, the value and/or the timing of promotions already received. The examiner’s reliance on Swix column 12 lines 43-60 is misplaced because that passage discloses analyzing event and additional data, classifying the viewer in a certain demographic group, and delivering a commercial for that group before or after a movie, not a processor determining a time to provide a promotion based upon parameters related to promotions received by a customer.

The examiner states that “For example, when a user has watched/received a commercial for outdoor adventure gear then the system determines when is the right time to display a commercial for a sport utility vehicle in which the user can carry out the adventure gear previously watched/received by the customer.” Office action mailed January 7, 2005 page 9 line 17 to page 10 line 4. That conclusion is wrong because Swix does not teach determining the right time to display a commercial, rather Swix teaches determining what commercial to display in an open advertisement slot, and depending that determination upon the demographic group in which Swix classified the consumer. See Swix column 9 lines 17-20. Swix cites as an example that if a viewer was interested in outdoor adventures, a suitable advertisement would be a commercial for a sport utility vehicle with specialized accessories that carry outdoor adventure gear. See column 12 lines 53-57. That example in Swix does not disclose timing the delivery of the advertisement. In fact, as mentioned supra, Swix teaches that the commercials are aired when there is an open advertisement slot. Airing a commercial when there is an open

advertisement slot is not equivalent to *a processor determining a time to provide a promotion* based upon identified parameters related to promotions received. The times when advertisement slots exist are determined by whoever sets up the programming. Swix does not concern itself with who schedules programming in a standard video broadcast. Accordingly, Swix also does not disclose a processor determining a time to provide a promotion based upon a parameter related to promotions received by consumer.

In summary, Swix does not disclose or suggest what the examiner asserts. Specifically, Swix does not disclose a processor determining a time to provide a promotion, and basing that determination upon identified parameters related to promotions received by the customer, as defined by independent claims 1, 28, 59, and 60, or upon characteristics of said consumer contained in said consumer characteristic record, as defined by independent claims 33 and 61. Therefore, the rejections of all independent claims as anticipated or obvious based upon Swix are improper and should be reversed.

**3. The Rejections of Independent claims 1, 28, 59, and 60, Under 35 USC 102  
(Applicable to claims 1, 28, 59, and 60, and claims depending therefrom,  
which are claims 1-32, 46-54, 59, 60, and 62-65)**

As noted above the Swix does not disclose the claimed processor determining a time, and further, that the determination is based upon the "parameters related to promotions received by said consumes," defined by independent claims 1, 28, 59, and 60.

**4. The Rejections Of Independent Claims 33 and 61 Under 35 USC 102  
(Applicable to claims 33, 61, and claims depending therefrom, which are  
claims: 33-45, 54-58, and 61)**

Swix also does not disclose claim 33's "processor configured to ... *determine said promotion time* at least in part *based upon said record of characteristics of said consumer contained in said consumer characteristic record*." Nothing in Swix discloses or suggests such a determination based upon consumer characteristics. Nor does the office action address this concept. The same reasoning applies to independent claims 61.

In summary, Swix does not disclose or suggest what the examiner asserts. Specifically, Swix does not disclose a processor determining a time to provide a promotion, and basing that determination upon characteristics of said consumer contained in said consumer characteristic record, as defined by independent claims 33 and 61.

**5. Swix Does Not Disclose Additional Limitations of Dependent Claims 2, 3, 7, 9-15, 20-21, 23-25, 27, 29-32, 33, 41, 42, 46, 63, and 65**

**5A. Dependent Claims not addressed in the Office Action**

Each claim noted below in subsections 5.1 to 5.27 contains a different limitation which is not disclosed by Swix. In each of the following sections, the argument is (1) that Swix does not disclose the claimed limitation, and that the examiner has failed to identify anything in Swix to the contrary. Therefore none of these claims stand or fall as a group. Separate headings are therefore provided.

**5.1 Claim 2**

Swix does not disclose the recitation in claim 2 of “wherein said one or more parameters related to said promotions received by said consumer relate to a packaging of said received promotions received by said consumer.”

**5.2 Claim 3**

Swix does not disclose the recitation in claim 3 of “wherein said one or more parameters related to said promotions received by said consumer relate to a time at which said promotions received were received by said consumer.”

**5.3 Claim 7**

Swix does not disclose the recitation in claim 7 of “wherein said one or more parameters related to said promotions received by said consumer relate to a value of said promotions received.” .

#### 5.4 Claim 9

Swix does not disclose the recitation in claim 9 of “wherein said one or more parameters related to said promotions received by said consumer relate to a provision method of said promotions received.”

#### 5.5 Claim 10

Swix does not disclose the recitation in claim 10 of “wherein said one or more parameters related to said promotions received by said consumer relate to other purchases necessary to exercise said promotions received.”

#### 5.6 Claim 11

Swix does not disclose the recitation in claim 11 of “wherein said one or more parameters related to said promotions received by said consumer relate to a nature of said promotions received.”

#### 5.7 Claim 12

Swix does not disclose the recitation in claim 12 of “wherein said one or more parameters related to said promotions received by said consumer relate to a promoter who is the source of said promotions received.”

#### 5.9 Claim 13

Swix does not disclose the recitation in claim 13 of “wherein said step of identifying one or more parameters comprises determining if said consumer is appropriate for said promotion, said promotion being predetermined.”

#### 5.10 Claim 14

Swix does not disclose the recitation in claim 14 of “further comprising a step of providing said promotion at said determined time to said identified consumer.”

#### 5.11 Claim 15

Swix does not disclose the recitation in claim 15 of “further comprising a step of using said received identification information to identify said consumer.” It does identification and tracking of event data using a “subscriber’s set-top box identification,” but that is not identifying the consumer using consumer identification data entered via the Identification device of claim 1.

#### 5.12 Claim 20

Swix does not disclose the recitation in claim 20 of “wherein said step of determining said time at which said promotion is to be provided comprises determining a number of promotions recently received by said consumer.”

5.13 Claim 21

Swix does not disclose the recitation in claim 21 of “wherein said number of promotions recently received by said consumer comprising promotions in a particular industry recently received by said consumer.”

5.14 Claim 23

Swix does not disclose the recitation in claim 23 of “wherein said step of determining said time at which said promotion is to be provided comprises determining a value of said promotions recently received by said consumer.”

5.15 Claim 24

Swix does not disclose the recitation in claim 24 of “wherein said step of determining said time at which said promotion is to be provided comprises determining an importance of said provision of said promotion to a promoter.”

5.16 Claim 25

Swix does not disclose the recitation in claim 25 of “charging a promoter according to said importance of said provision of said promotion.”

5.17 Claim 27

Swix does not disclose the recitation in claim 27 of “determining promotions recently received by said consumer; determining at least one of a demographic and a purchase history characteristic of said consumer; determining an importance of said provision of said promotion to a promoter; and fusing said determined promotions recently received, said at least one of a demographic and a purchase history characteristic, and said importance of said provision into one parameter related to said time at which said promotion is to be provided.”

5.18 Claim 29

Swix does not disclose the recitation in claim 29 of “wherein said one or more parameters of related to promotions received by said consumer comprising at least one of a timing, an industry, a class, a type, a packaging, a validity date, a valid location, other products that must be

purchased to exercise, and a value of said promotions received by said consumer.”

5.19 Claim 30

Swix does not disclose the recitation in claim 30 of “means for providing said promotion at said time determined by said means for determining to said consumer identified by said means for identifying.”

5.20 Claim 31

Swix does not disclose the recitation in claim 31 of “means for selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said time determined by said means for determining being for said targeted promotion.”

5.21 Claim 32

Swix does not disclose the recitation in claim 32 of “means for receiving a predetermined promotion from a promoter, said time determined by said means for determining being for said predetermined promotion.”

5.22 Claim 33

Swix does not disclose either the recitation in claim 33 of “a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer” or “a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record.” Furthermore, claims 34-35 and claim 45 depend from claim 33, so for the same reasons the rejection of claim 33 is improper, the rejections of claims 34-36 and 45 are improper.

5.23 Claim 41

Swix does not disclose the recitation in claim 41 of “wherein said received promotions record comprises a received promotion provision method record.”

5.24 Claim 42

Swix does not disclose the recitation in claim 42 of “wherein said received promotions record comprises a received promotion packaging record.”

5.25 Claim 46

Swix does not disclose the recitation in claim 46 of “A computer readable medium containing program instructions for execution on a computer system, which when executed by the computer system, cause the computer system to perform the method recited in any one of claims 1 to 27.”

5.26 Claim 63

Swix does not disclose the recitation of claim 63 “wherein said determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer comprises determining in a computer system.”

5.27 Claim 65

Swix does not disclose the recitation of claim 65 “wherein said means for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said consumer, said one or more parameters identified by said means for identifying comprises means for determining by a digital processor.”

**5.B Swix Does Not Disclose Additional Limitations of Claims 16, 18, 26, and 44**

For these claims, the examiner errs for the reasons noted below.

5.28 Claim 16

Claim 16 is rejected under 35 USC 102(e) as being anticipated by Swix. In support of this rejection, the examiner states that:

With respect to claim 16, Swix further teaches selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion (col. 12, lines 22-90 [sic]). [Office Action mailed Jan. 7, 2005 page 7 lines 6-9; interpolation supplied.]

In reply, the applicant submits Swix does not disclose “a step of selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion,” as recited by claim

16.

The examiner has relied upon Swix column 12 lines 22-60 and column 10 line 51 to column 11 line 2 of Swix for teaching that selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of a consumer. These passages read as follows. Column 12 lines 22-60 of Swix states that:

An example of the video stream playlist method of the present invention is a pay-per-view movie service that shows commercials or movie trailers before and after a feature presentation. In this case, merge processor 100 would contain an event list of every viewing selection made by the subscriber up to the ordering of the movie. The event list could include data such as movie previews watched, movies watched, television programming watched, products ordered via interactive television, choices from interactive menus, commercials viewed, and commercials turned off. The historical extent of the data would depend on how long the present invention was active on the subscriber's television. In addition to event data, the media service provider would also have subscriber account information such as billing.

As the subscriber progresses through the pay-per-view menu screens, events (subscriber selections) are stored in the set-top box and periodically uploaded to the server. The server collects the data and organizes it into event lists. For example, the list may show that the viewer watched a movie trailer for a movie about white water rafting, then viewed an advertisement for outdoor adventure gear, then watched a movie trailer about a wilderness hiking disaster, and finally ordered the feature movie presentation about a wilderness survival competition.

According to the present invention, when the viewer orders the feature movie presentation, the pay-per-view service prepares to send the movie along with the commercials that will precede and follow the movie. At this point, profile processor 104 analyzes the event data and additional data, classifies the viewer in

a certain demographic group, and delivers a commercial targeted for that group. As an example, given the viewer's interest in outdoor adventures, a suitable advertisement would be a commercial for a sport utility vehicle with specialized accessories that carry outdoor adventure gear. The present invention would deliver this advertisement as a full screen video stream played prior to or after the showing of the feature movie presentation. [Swix column 12 lines 22 - 60.]

Column 10 line 51 to column 11 lines 1-2 of Swix states that:

During this interactive session, the navigator records each subscriber selection as event data. In the preferred embodiment, the navigator uploads the latest event data to merge processor 100 every time a new targeted advertisement must be inserted. In this manner, profile processor 100 has the latest event data, along with the data from other databases, to assess a viewer's current interests. Thus, for example, in screen 302, the present invention could display a bit map or video movie trailer advertisement enticing the subscriber to look further into the menu options but not necessarily targeting a specific customer profile or demographic group. Then, once the subscriber has chosen "movies" and moved to screen 304, the present invention could display a bit map or video advertisement for popcorn knowing that this particular subscriber has watched several movies in the last month (from the event data) and that the subscriber indicated a liking for popcorn in a recent consumer spending survey (from survey database 126). [Column 10 line 51 to column 11 line 2.]

The foregoing passages in Swix are directed to classifying the viewer in a certain demographic group and delivering commercials targeted for that group. See column 6 lines 16-24. Swix discloses delivering commercials when there is an open advertisement slot. See column 9 lines 17-20. Swix further discloses delivering advertisements as a full screen video stream played prior to or after the showing of a feature movie presentation. See column 12 lines

49-50. However, Swix does not disclose determining the timing of its promotion, specifically based upon either the “parameters” defined by claim 1 or claim 16’s additional limitation that the “determined timed time being for said targeted promotion.” Thus, the foregoing passages do not disclose “selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion,”. In fact, nothing in Swix discloses the limitations of claim 16.

#### 5.29 Claim 18

Swix does not disclose a method wherein a “desired consumer profile originates from a promoter,” as recited by claim 18. A promoter is defined in the specification at page 4 lines 14-16 as any company, manufacturer, distributor, retailer, wholesaler, service provider, individual, and/or any other entity that wishes to provide promotions related to the promoter’s product and/or service to consumers. The examiner cites to Swix column 12 lines 22-60 for disclosing this recitation which is quoted herein above in the response to the rejection of claim 16. Swix column 12 lines 22-60 does disclose the claimed limitation. Swix does not disclose a system that provides promotions related to its own product, thus the system disclosed in Swix is not a promoter. Therefore, Swix does not disclose that the consumer profile originates from a promoter.

#### 5.30 Claims 26 and 44

Claims 26 and 44 are rejected under 35 USC 102(c) as being anticipated by Swix. In support of the examiner’s rejection, the examiner states that:

With respect to claims 26 and 44, Swix further teaches determining said time at which said promotion is to be provided comprises determining at least one of a demographic and a purchase characteristic of said consumer (col. 12, lines 22-60). [Office action mailed Jan. 7, 2005 page 7 lines 13-15.]

Swix does not disclose either a method or a system including the step of “determining

said time at which said promotion is to be provided comprises determining at least one of a demographic and a purchase history characteristic of said consumer,” as recited by claim 26 and defined by claim 44. Swix teaches a system which records the subscriber’s profile, classifies the customer into a demographic group and displays an advertisement to the customer that is customized for the customer or the customer’s demographic group. See column 6 lines 8-25. Thus, Swix teaches determining the types of commercials to send to a consumer based upon their classified demographic group. Swix discloses that advertisements are delivered when an advertisement slot becomes available. See column 9 lines 19-20. Thus, Swix fails to disclose limitations of claims 26 and 44.

**VII. WHETHER THE REJECTIONS OF CLAIMS 6, 8, 22, 37, 38, 43, AND 47-58 UNDER 35 USC 103 AS BEING UNPATENTABLE OVER SWIX ARE IMPROPER AND SHOULD BE REVERSED**

In response, the applicant traverses these rejections because they are not supported by substantial evidence or valid reasoning. The rejections should be reversed for the reasons stated below.

**1. Claims limited to a Process or making a Timing Determination - Claims 6, 8, 22, 37, 38, 43, AND 47-58**

For the reasons presented in the prior sections, Swix fails to disclose a processor determining time to provide a promotion. The examiner errs by failing to address why the foregoing limitations would have been obvious. And nothing in Swix would lead one skilled in the art to include such a determination. Therefore, Swix does not suggest any claim in this application.

**2. Claims limited to Depending upon Parameters Related to Promotions Received by Said Consumer Claims depending from 1, 28, 59, or 60 - (claims 6, 8, 22, 47-50, and 51-54)**

For the reasons presented in the prior section, Swix fails to disclose a timing determination based upon parameters related to promotions received by said consumer. The examiner errs by failing to address why the foregoing limitations would have been obvious. Therefore, Swix fails to disclose any claim depending upon claims 1 or 28, which include claims 6, 8, 22, 47-50, and 51-54.

**3. Claims limited to Depending Upon Characteristics of Said Consumer -  
Claims depending from 33 and 61 (Claims 37, 38, 43, and 55-58)**

For the reasons presented in the prior section, Swix fails to disclose a timing determination based upon characteristics of said consumer. The examiner errs by failing to address why the foregoing limitations would have been obvious. Therefore, Swix fails to disclose any claim depending upon claims 33 or 61, which include claims 37, 38, 43, and 55-58.

**4. The Official Notice Taken By The Examiner With Regard To Claims 8, 37,  
38, And 43 Is Improper And The Rejections Should Be Reversed For These  
Additional Reasons**

First, the applicants submit that the examiner's reliance on official notice is improper, since it forms the basis for the examiner's obviousness conclusion. See Barry, "Did You Ever Notice? Official Notice in Rejections" 81 JPTOS 129 (1999). Therefore, the rejections of claims 6, 8, 22, 37, 38, and 43 relying upon the official notice are improper and should be reversed.

Second, the examiner's reasoning for taking official notice is flawed. The applicants submit that noticing that it is old and well known: (1) "for promotions to have a location in which it can be redeemed in order to promote patronage of an establishment", "for offers to have a validity date in which the offers can be redeemed in order [to] allow promoters/manufacturers to better manage the offers", and "in the computer related arts to time stamp information received in order to keep track of when the information was received" are not appropriate circumstances for reliance upon official notice. In addressing this topic, MPEP 2144.03(A)

states that:

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in In re Ahlert, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be “capable of such instant and unquestionable demonstration as to defy dispute” (citing In re Knapp Monarch Co., 296 F.2d 230, 132 USPQ 6 (CCPA 1961)).

By taking official notice, the examiner asserts that certain facts are well-known or are common knowledge in the art and are capable of instant and unquestionable demonstration. The applicants dispute these assertions because these facts are not capable of instant and unquestionable demonstration as being well-known. Therefore, the rejections of claims 6, 8, 22, 37, 38, and 43 relying upon official notice are improper and should be reversed.

The official notice taken by the examiner with respect to a promotion validity date, which is recited by claims 8 and 37, is improper. The official notice taken by the examiner with respect to time stamp information received in order to keep track of when the information was received, which is recited by claim 43, is improper.

As per claims 8 and 37, the examiner takes official notice that it is allegedly old and well known for offers to have a validity date prior to which the offers can be redeemed in order allow promoters/manufacture to better manage the offers. However, the examiner’s official notice does not address the limitations of claim 8. Specifically, claim 8 defines determining a time at which a promotion is to be provided based upon validity dates of previously provided promotions. Neither Swix nor the examiner’s official notice teach the step of “determining a time at which a promotion is to be provided based upon a validity date of said promotions received,” as defined by claim 8 or similar limitations of claim 37. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection of claim 8 should be

reversed.

As per claim 38, the examiner takes official notice that it is old and well known for promotions to have a location in which it can be redeemed in order to promote patronage of an establishment. However, the examiner's official notice does not address the limitations of claim 38. Specifically, claim 38 defines a system wherein the received promotions record comprises a received promotion valid location code. Neither Swix nor the examiner's official notice teaches a system comprising a received promotions record for a customer that contains a "received promotion valid location record," as defined by 38. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection of claim 38 should be reversed.

As per claim 43, the examiner takes official notice that it is allegedly old and well known in the computer related arts to time stamp information received in order to keep track of when the information was received. However, the examiner's official notice does not address the limitations of claim 43. Specifically, the examiner's official notice does not suggest storing this data in a consumer characteristics record. Neither Swix nor the examiner's official notice teach a system comprising "a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record characteristics of said consumer" and "a processor configured ...to determine said promotion time at least in part based upon said record or characteristics of said consumer contained in said consumer characteristic record" and "said received promotions record comprises a received promotion time of receipt record," as defined in claim 43. Thus, the examiner has not presented a prima facie case of obviousness, and therefore the rejection of claim 43 should be reversed.

**VIII. 37 CFR 41.37 (c)(1) (continued)**

**H. 37 CFR 41.37 (c)(1)(viii) Claims Appendix**

Appendix I is attached which contains a copy of the claims involved in the appeal.

**I. 37 CFR 41.37 (c)(1)(ix) Evidence Appendix**

Appendix II contains attachments 1-4, which were submitted by amendment filed October 7, 2004.

**J. 37 CFR 41.37 (c)(1)(x) Related Proceedings Appendix**

There are no related appeals or interferences under (c)(1)(x) of this section. Accordingly, this section is inapplicable. A blank related proceedings appendix, Appendix III, page is attached to formally comply.

**IX. 37 CFR 41.37 (c)(2)**

This brief includes claims amended by the amendment filed November 29, 2008, which was a timely amendment in response to the non-final office action dated November 18, 2008. Applicant's understanding is that such an amendment is entered as a matter of right, that section 37 CFR 47.37 (c)(2) refers to amendments and evidence not admitted of right. Thus, this brief does not include any new or non-admitted amendment or evidence.

**X. 37 CFR 41.37 (d)**

This appeal brief complies with all the requirements of paragraph (c) of this section.

**XI 37 CFR 41.37 (e)**

This notice of appeal and appeal brief are filed timely. Accordingly, no extensions of time are necessary.

12-8-2008

DATE

Respectfully Submitted,  
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BTM/ran

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## **APPENDIX 1 - CLAIMS APPENDIX OF APPEALED CLAIMS**

1. A computer-implemented method comprising steps of:  
a processor receiving, via an identification input device, identification information from a consumer;  
a processor storing in computer memory records of promotions received by said consumer;  
a processor identifying from said records of promotions received by said consumer, based upon said received identification information, one or more parameters related to said promotions received by said consumer; and  
a processor determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer.
2. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a packaging of said received promotions received by said consumer.
3. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a time at which said promotions received were received by said consumer.
4. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a product class of said promotions received by said consumer.
5. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a product industry of said promotions received by said consumer.

6. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a location where said promotions received can be exercised by said consumer.

7. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a value of said promotions received.

8. The method according to claim 1, wherein said one or more parameters related to promotions received by said consumer relate to a validity date of said promotions received, such that said determining is based upon at least one validity date of promotions previously received by said consumer.

9. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a provision method of said promotions received.

10. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to other purchases necessary to exercise said promotions received.

11. The method according to claim 1, wherein said records of promotions received by said consumer are stored in said computer memory in association with said received identification information of said consumer and characteristics of said consumer.

12. The method according to claim 1, wherein said one or more parameters related to said promotions received by said consumer relate to a promoter who is the source of said promotions received.

13. The method according to claim 1, wherein said step of identifying one or more

parameters comprises determining if said consumer is appropriate for said promotion, said promotion being predetermined.

14. The method according to claim 1, further comprising a step of providing said promotion at said determined time to said identified consumer.

15. The method according to claim 1, further comprising a step of using said received identification information to identify said consumer.

16. The method according to claim 1, further comprising a step of a processor selecting a targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer, said determined time being for said targeted promotion.

17. The method according to claim 16, wherein said step of selecting said targeted promotion comprises matching said one or more characteristics of said consumer to a desired consumer profile.

18. The method according to claim 17, wherein said desired consumer profile originates from a promoter.

19. The method according to claim 1, further comprising a step of receiving in computer memory a predetermined promotion from a promoter, said determined time being for said predetermined promotion.

20. The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises determining a number of promotions recently received by said consumer.

21. The method according to claim 20, wherein said number of promotions recently

received by said consumer comprises promotions in a particular industry that were recently received by said consumer.

22. The method according to claim 20, wherein said number of promotions recently received by said consumer comprises promotions exercisable at a particular location that were recently received by said consumer.

23. The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises determining a value of said promotions recently received by said consumer.

24. The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises determining an importance of said provision of said promotion to a promoter.

25. The method according to claim 24, further comprising charging a promoter according to said importance of said provision of said promotion.

26. The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises determining at least one of a demographic and a purchase history characteristic of said consumer.

27. The method according to claim 1, wherein said step of determining said time at which said promotion is to be provided comprises:

- determining promotions recently received by said consumer;
- determining at least one of a demographic and a purchase history characteristic of said consumer;
- determining an importance of said provision of said promotion to a promoter; and
- fusing said determined promotions recently received, said at least one of a demographic

and a purchase history characteristic, and said importance of said provision into one parameter related to said time at which said promotion is to be provided.

28. A system, comprising:

means, including an identification input device, for receiving, at a processor, identification information from a consumer;

means, including a processor, for storing in computer memory records of promotions received by said consumer;

means, including a processor, for identifying from said records of promotions received by said consumer, one or more parameters related to said promotions received by said consumer based upon said identification information received by said means for receiving; and

means, including a processor, for determining a time at which a promotion is to be provided based upon said one or more parameters related to said promotions received by said consumer, said one or more parameters identified by said means for identifying.

29. The system according to claim 28, wherein said one or more parameters of related to said promotions received by said consumer comprises at least one of a timing, an industry, a class, a type, a packaging, a validity date, a valid location, other products that must be purchased to exercise, and a value of said promotions received by said consumer.

30. The system according to claim 28, further comprising means for providing said promotion at said time determined by said means for determining to said consumer identified by said means for identifying.

31. The system according to claim 28, further comprising means, including a processor, for selecting a targeted promotion from a plurality of potential promotions stored in computer memory based upon said one or more characteristics of said consumer, said time determined by said means for determining being for said targeted promotion

32. The system according to claim 28, further comprising means for receiving a predetermined promotion from a promoter, said time determined by said means for determining being for said predetermined promotion.

33. A system, comprising:  
a consumer identification information receiver configured to receive consumer identification information;  
a consumer identification record configured to contain stored consumer identification information;  
a consumer characteristic record configured to contain a record of characteristics of said consumer;  
a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer; and  
a processor configured to use said received consumer identification information to identify a consumer using said stored consumer identification information, and moreover to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record.

34. The system according to claim 33, wherein:  
said promotion output device comprises a network interface; and  
said promotion comprises an electronic signal.

35. The system according to claim 33, wherein said consumer characteristic record comprises:  
a received promotions record configured to contain a record related to received promotions received by said consumer.

36. The system according to claim 35, wherein said received promotions record comprises a received promotion value record.

37. The system according to claim 35, wherein said received promotions record comprises a received promotion validity date record.

38. The system according to claim 35, wherein said received promotions record comprises a received promotion valid location record.

39. The system according to claim 35, wherein said received promotions record comprises a received promotion product class record.

40. The system according to claim 35, wherein said received promotions record comprises a received promotion industry record.

41. The system according to claim 35, wherein said received promotions record comprises a received promotion provision method record.

42. The system according to claim 35, wherein said received promotions record comprises a received promotion packaging record.

43. The system according to claim 35, wherein said received promotions record comprises a received promotion time of receipt record.

44. The system according to claim 33, wherein said processor is further configured to select said targeted promotion from a plurality of potential promotions based upon said one or more characteristics of said consumer.

45. The system according to claim 33, further comprising a promotion receiver configured to receive a predetermined promotion from a promoter, said promotion time determined by said processor being for said predetermined promotion.

46. A computer readable medium containing program instructions for execution on a computer system, which when executed by the computer system, cause the computer system to perform the method recited in any one of claims 1 to 27.

47. The method according to claim 1, wherein said promotions received by said consumer is embodied in a flier.

48. The method according to claim 1, wherein said promotions received by said consumer is embodied in a newsletter.

49. The method according to claim 1, wherein said promotions received by said consumers comprises a coupon.

50. The method according to claim 1, wherein said promotions received by said consumers is embodied in a recipe.

51. The system according to claim 28, wherein said promotions received by said consumer is embodied in a flier.

52. The system according to claim 28, wherein said promotions received by said consumer is embodied in a newsletter.

53. The system according to claim 28, wherein said promotions received by said consumer comprises a coupon.

54. The system according to claim 28, wherein said promotions received by said consumer is embodied in a recipe.

55. The system according to claim 33, wherein said targeted promotion is embodied

in a flier.

56. The system according to claim 33, wherein said targeted promotion is embodied in a newsletter.

57. The system according to claim 33, wherein said targeted promotion comprises a coupon.

58. The system according to claim 33, wherein said targeted promotion is embodied in a recipe.

59. A computer-implemented method, comprising:  
receiving identification information from a consumer at a vendor location site,  
comprising a vendor terminal, wherein said vendor terminal is located at a check-out counter in a store;

identifying with a processor, based upon said received identification information, one or more parameters related to promotions received by said consumer; and

determining with a processor, a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer.

60. A system, comprising:  
means, including an identification input device, for receiving identification information from a consumer at a vendor location site, which comprises a vendor terminal, wherein said vendor terminal is located at a check-out counter in a store;

means, including a processor, for identifying one or more parameters related to promotions received by said consumer based upon said identification information received by said means for receiving; and

means for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said consumer, said one or more

parameters identified by said means for identifying.

61. A system, comprising:

a consumer identification information receiver at a vendor location site configured to receive consumer identification information from a consumer, wherein said vendor location site is a check-out counter in a store;

a consumer identification record configured to contain stored consumer identification information of said consumer;

a consumer characteristic record configured to contain a record of characteristics of said consumer;

a promotion output device configured to output a targeted promotion at a promotion time based at least in part upon said record of characteristics of said consumer; and

a processor configured to use said received consumer identification information to identify a consumer record using said stored consumer identification information, and to determine said promotion time at least in part based upon said record of characteristics of said consumer contained in said consumer characteristic record.

62. The method of claim 1, wherein said identifying comprises identifying in a computer system storing said records of promotions received by said consumer.

63. The method of claim 1, wherein said determining a time at which a promotion is to be provided based upon said identified one or more parameters related to promotions received by said consumer comprises determining in a computer system.

64. (Previously presented) The system of claim 28, wherein said means for identifying one or more parameters related to promotions received by said consumer based upon said identification information received by said means for receiving comprises means for identifying by a digital processor.

65. (Previously presented) The system of claim 28, wherein said means for determining a time at which a promotion is to be provided based upon said one or more parameters related to promotions received by said consumer, said one or more parameters identified by said means for identifying comprises means for determining by a digital processor.

## **APPENDIX 2 - EVIDENCE APPENDIX**

Attachment 1: Pdf image copy of Ex parte Bowman, 2001 Pat App. Lexis 46 (BPAI June 12, 2001)

Attachment 2: Pdf image copy of page 4 of the specification

Attachment 3: Pdf image copy of the definition of promotion as defined by the American Heritage Dictionary of the English Language

Attachment 4: Pdf image copy of Barry, "Did You Ever Notice? Official Notice in Rejections" 81 JPTOS 129 (1999).

# Attachment 1

LEXSEE 2001 PAT APP. LEXIS 46

Ex parte CLEMENT W. BOWMAN

Appeal No. 1999-0583

Application 08/418,152

Board of Patent Appeals and Interferences

2001 Pat. App. LEXIS 46

June 12, 2001, Decided

[\*1]

Before JERRY SMITH, DIXON, and BLANKENSHIP, Administrative Patent Judges.

**OPINIONBY: SMITH**

**OPINION:**

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

ON BRIEF

JERRY SMITH, Administrative Patent Judge.

## DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-18, which constitute all the claims in the application. An amendment after final rejection was filed on November 24, 1997, but was denied entry by the examiner.

The disclosed invention pertains to a method of evaluating an intangible asset of interest.

Representative claim 1 is reproduced as follows:

1. A method of evaluating an intangible asset of interest, comprising the steps of:
  - establishing first and second variables related to the value of said intangible asset of interest;
  - establishing a series of performance criteria statements probative of the value of said first and second variables;
  - scoring each of said performance criteria statements;
  - summing scores to generate first and second total scores based upon the extent to which individual statements [\*2] accurately describe said intangible asset of interest;
  - transforming physical media into a chart having a first axis relating to said first variable and a second axis relating to said second variable;
  - physically plotting a point on said chart, said point being located at coordinates corresponding to said first and second total scores, respectively, and,
  - using said chart in making at least one decision regarding the value of said intangible asset of interest.

The examiner relies on the following reference:

Robert R. Blake et al. (Blake), *The Managerial Grid*, Gulf Publishing Company, 1994, page 10.

Claims 1-18 stand rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter. Claims 1-18 also stand rejected under 35 U.S.C. § 112, first paragraph, as being based on an inadequate disclosure. Finally, claims 1-18 stand rejected under 35 U.S.C. § 103 as being unpatentable over the teachings of Blake.

Rather than repeat the arguments of appellant or the examiner, we make reference to the brief and the answer for the respective details thereof.

#### OPINION [\*3]

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the prior art rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellant's arguments set forth in the brief along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that claims 1-18 are not directed to statutory subject matter. We are also of the view that the disclosure adequately supports the invention of claims 1-18. Finally, it is our view that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-18. Accordingly, we affirm.

Appellant has indicated that for purposes of this appeal the claims will all stand or fall together as a single group [brief, page 3]. Consistent with this indication appellant has made no separate arguments with respect to any of the claims on appeal. Accordingly, all the claims [\*4] before us will stand or fall together. Note *In re King*, 801 F.2d 1324, 1325, 231 USPQ 136, 137 (Fed. Cir. 1986); *In re Sernaker*, 702 F.2d 989, 991, 217 USPQ 1, 3 (Fed. Cir. 1983). Therefore, we will consider the rejection against independent claim 1 as representative of all the claims on appeal. Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered [see 37 CFR § 1.192(a)].

With respect to the rejection under 35 U.S.C. § 101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. Appellant responds by analyzing the claimed invention under "The Examination Guidelines for Computer-Related Inventions" as published by the United States Patent and Trademark Office. Based on these guidelines, appellant argues that the recited method of creating a chart and plotting a point thereon is "physical and has clear real world value" [\*5] [brief, page 4]. Appellant also argues that the claimed process clearly results in a physical transformation outside of a computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan [id., page 6]. The examiner responds that the noted guidelines are inapplicable here because appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.

Despite the express language [\*6] of 35 U.S.C. § 101, several judicially created exceptions have been excluded from subject matter covered by Section 101. These exceptions include laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ 1, 7 (1981). We interpret the examiner's rejection as finding that the claimed invention before us is nothing more than an abstract idea because it is not tied to any technological art or environment. Appellant's argument is that the physical (even manual) creation of a chart and the plotting of a point on this chart places the invention within the technological arts.

The phrase "technological arts" has been created to offer another view of the term "useful arts." The Constitution of the United States authorizes and empowers the government to issue patents only for inventions which promote the progress [of science and] the useful arts. We find that the invention before us, as disclosed and claimed, does not promote the progress of science and the useful arts, and does not fall within the definition of technological arts. The abstract idea which forms [\*7] the heart of the invention before us does not become a technological art merely by the

recitation in the claim of "transforming physical media into a chart" [sic, drawing or creating a chart] and "physically plotting a point on said chart."

In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 101.

With respect to the rejection under 35 U.S.C. § 112, the examiner asserts that the claimed invention is not described in the specification in such a way as to enable one skilled in the art to make and/or use the invention. Specifically, the examiner argues that the transforming step of claim 1 is not disclosed [\*8] in the specification. According to the examiner, the chart of Figure 3 remains unchanged and is not physically transformed into the chart of Figure 4 [answer, page 4]. Appellant responds that Figure 4 of the application and its corresponding description in the specification support this step [brief, page 8, incorporating argument from amendment after final rejection].

We agree with appellant. Although the record does not reflect exactly what is meant by the step of "transforming physical media into a chart," we are of the view that the examiner's interpretation of transforming the chart of Figure 3 into the chart of Figure 4 is not what this step was intended to cover. We find the claimed step to mean nothing more than transforming physical media (blank paper) into a chart having two axes drawn thereon. Under this interpretation of claim 1, we find that the disclosure of this application supports the claimed invention as required by the first paragraph of 35 U.S.C. § 112. Specifically, the person skilled in this art would be able to make and use the claimed invention based on appellant's disclosure. Therefore, we do not sustain this rejection of [\*9] the appealed claims.

With respect to the rejection under 35 U.S.C. § 103, the examiner finds that the chart on page 10 of Blake clearly suggests that scores are established for each criteria statement, and the examiner finds that summing scores to obtain a final score would have been obvious within the meaning of 35 U.S.C. § 103 [answer, pages 4-5]. Appellant argues that the summing of a plurality of scores to generate the first and second total scores which are plotted is not taught or suggested by the applied prior art [brief, page 5, incorporating argument from amendment after final rejection]. Appellant has also offered to further amend the claims, but that issue is not properly before us.

We agree with the examiner. Blake clearly teaches the step of establishing variables related to the value of the asset of interest (concern for production and concern for people). The chart shown on page 10 of Blake represents a transformed physical medium with points physically plotted thereon [(1,1), (9,1), (5,5), (1,9) and (9,9)]. Blake does not explicitly teach the steps of establishing performance criteria statements, [\*10] scoring the criteria statements, and summing scores to obtain a total score.

We agree with the examiner that these three steps would have been suggested to the artisan by the chart shown in Blake. The chart in Blake has increasing numbers running along the two axes which suggests that the points to be plotted have quantity. The chart shows several specific points plotted which suggests that the various points on the chart are quantifiable. In order to quantify these points in Blake, the artisan would have recognized that (all) the factors which contribute to the value of the two variables must be identified and quantified, and the presence of these factors in the (intangible) asset under evaluation would have to be detected and summed based on the relative quantifications assigned to each factor. Thus, even though Blake does not specifically disclose that the establishing, scoring and summing steps of claim 1 are to be carried out, the artisan would have recognized the obviousness of performing these steps in order to determine where points should be plotted on the chart in Blake. Therefore, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 103. [\*11]

In conclusion, we have sustained the examiner's rejections of the appealed claims under 35 U.S.C. §§ 101 and 103, but we have not sustained the examiner's rejection under 35 U.S.C. § 112. Therefore, the decision of the examiner rejecting claims 1-18 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED

CONCURBY: DIXON

**CONCUR:**

Dixon, Administrative Patent Judge, Concurrence.

I concur with the decision of the majority, but would add the following with respect to the discussion of the rejection under 35 U.S.C. § 101.

The claims fail to recite subject matter within any of the four statutory classes defined by § 101, which authorizes the grant of a patent to "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof . . ." 35 U.S.C. § 101 (1994). Pursuant to its authorization under art. I, § 8, cl. 8, of the United States Constitution to promote the progress of science and useful arts, [\*12] Congress has specified the types of subject matter that may be patented in § 101. Patentable subject matter must fall within one of these statutory categories.

Further, I would add that the instant claim 1 has similarity to the format of the invention as recited in claim 1 of *In re Warmerdam*, 33 F.3d 1354, 1357, 31 USPQ2d 1754, 1756 (Fed. Cir. 1994).

1. A method for generating a data structure which represents the shape of [sic] physical object in a position and/or motion control machine as a hierarchy of bubbles, comprising the steps of:

first locating the medial axis of the object and

then creating a hierarchy of bubbles on the medial axis.

But, I note that in *Warmerdam* both a method and apparatus were disclosed in the specification and the present claim 1 was originally filed as "creating" the chart and plotting of a point thereon.

In the Court's decision in *In re Warmerdam*, 33 F.3d at 1358, 31 USPQ2d at 1757 Judge Plager wrote:

despite the oft-quoted statement in the legislative history of the 1952 Patent Act that Congress intended that statutory subject matter "include anything [\*13] under the sun that is made by man," S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2399; H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952), Congress did not so mandate. Congress included in patentable subject matter only those things that qualify as "any . . . process, machine, manufacture, or composition of matter, or any . . . improvement thereof. . . ." 35 U.S.C. Section 101 (1988). Cf. *In re Alappat*, No. 92-1381, slip op. at 29 [31 USPQ2d 1545] (Fed. Cir. July 29, 1994) (en banc) ("The use of the expansive term "any" in Section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101 and the other parts of Title 35.") (Emphasis added.)

Here, the Court reinforces that it is the role of Congress to set forth the boundaries of statutory subject matter and not the courts. If Congress intended for "anything under the sun that is made by man" to be patentable/statutory subject matter, then Congress would have included copyrightable materials (e.g., musical/literary [\*14] works, maps and charts), into the realm of patentable subject matter. It is clear that Congress did not intend to include everything, so we must assume that there is still some limitation(s) to the spectrum of statutory subject matter under 35 U.S.C. § 101.

But in a subsequent case, *AT & T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449-50 (Fed. Cir. 1999), Judge Plager wrote that

The Supreme Court has construed § 101 broadly, noting that Congress intended statutory subject matter to "include anything under the sun that is made by man." See *Diamond v. Chakrabarty*, 447 U.S. 303, 309 [206 USPQ 193] (1980) (quoting S. Rep. No. 82-1979, at 5 (1952); H.R. Rep. No. 82-1923, at 6 (1952)); see also *Diamond v. Diehr*, 450 U.S. 175, 182 [209 USPQ 1] (1981). Despite this seemingly limitless expanse, the Court has specifically identified three categories of unpatentable subject matter: "laws of nature, natural phenomena, and abstract ideas." See *Diehr*, 450 U.S. at 185. [\*15] (Emphasis added.)

In *AT & T*, we see a slight variation from the position in *Warmerdam*, but still a recognition that not everything is statutory subject matter. With this recognition that abstract ideas which have not been applied in some manner (to something tangible; within the technological arts; with a computer; in a memory device or medium) to realize a "useful, concrete, and tangible result" (citing *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368,

1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998)), the Court in *AT & T* found that the claimed process, which the district court "recognized that the claims require the use of switches and computers" (*AT & T* 50 USPQ2d at 1449), was directed to statutory subject matter. The Court went on to find that it does not matter whether the claimed invention is directed to a process or machine and that the scope of 35 U.S.C. § 101 is the same for either claimed invention (since both were disclosed). (*AT & T* 50 USPQ2d at 1451.)

Here, I [\*16] find that the prior factual situations may be distinguished with the present disclosed and claimed invention. In the present application, the specification is silent as to the need for any apparatus to carry out the claimed process or to make the ultimate decision regarding the value of the intangible asset. I note that the only remnant of structure to evidence the application of the abstract idea may be gleaned impliedly from originally filed claim 1 which stated "generating first and second total scores . . ." which was amended to recite "summing scores to generate first and second total scores . . ." Appellant argued in the amendment (paper no. 8) filed March 27, 1997 at page 3 that there is "post-solution activity" and "pre-solution activity," but appellant does not overtly state or argue that the disclosed or claimed invention is computer implemented or in any way involved with some application of the abstract idea beyond the creation of a chart on a physical medium and plotting of a point thereon. This I find to be no more than a mere recordation of an idea in the abstract which I would equate to the affixation in a tangible medium of that idea which has been devised separate [\*17] and distinct from any real world application until the chart is created and a point plotted thereon. This to me is outside the province of 35 U.S.C. § 101.

Going back to the analysis by the Court in *In re Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759, the Court further states that

it is true, particularly with ideas expressed in mathematical form, that if a claim requires more than the manipulation of ideas so that the process described in the claim produces something quite different, then the process might indeed describe statutory subject matter . . . It is the claims which define the metes and bounds of the invention entitled to the protection of the patent system. *Zenith Lab. Inc. v. Bristol-Myers Squibb Co.*, 19 F.3d 1418, 1424, 30 USPQ2d 1285, 1290 (Fed. Cir. 1994).

Here, appellant argues that the claimed "transforming physical medium," which is not disclosed, but assumed to be paper, "into a chart" and "physically plotting a point on said chart" is a physical transformation. I note that the specification as originally filed is silent as to any [\*18] "media" beyond being a graphical representation which may be as broad as using a stick in the sand or dirt; pen on a whiteboard or pen/pencil on paper. Appellant cites to the discussion in *State Street Bank* at page 1538 (brief at page 7) concerning *In re Alappat*, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994) and *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) wherein there was a physical transformation using the result of the computation. I would distinguish those three cases (*State Street Bank*, *Alappat* and *Arrhythmia*) along with *AT & T* since each of the cases included a disclosed invention which was well grounded in an area of the technological arts (computer, electrical, chemical, biological, mechanical engineering and physics-the physical sciences rather than the social sciences).

Here, I find no such application, involvement, use or advancement of the technological arts in the invention as recited in express language of claim 1 or in the disclosed invention with which to interpret the language of claim 1. While [\*19] I realize that a computer may arguably not be required to be disclosed *In re Dossel*, 115 F.3d 942, 946-47, 42 USPQ2d 1881, 1885 (Fed. Cir. 1997) (finding the inferred disclosure of a computer without any express disclosure), appellant has not argued the use of any item or computer with which to practice or apply the claimed process beyond the abstraction of the human mind. Appellant relies solely upon the creation/transformation of the media into a chart and plotting of a point.

While *AT & T* recognizes that a transformation is not a requirement for statutory subject matter and is merely one example of an indica to show the presence of statutory subject matter, the Court stated that "the finding that the claimed process 'transformed' data from one 'form' to another simply confirmed that *Arrhythmia*'s method claims satisfied Section 101 because the mathematical algorithm included within the process was applied to produce a number which had specific meaning--a useful, concrete, tangible result--not a mathematical abstraction." (Citation omitted.) *AT & T* at 1452. Here, the result of the abstract idea does not, in my view, have "specific [\*20] meaning" as in *Arrhythmia*, rather is still an abstraction, now recorded as in *In re Schrader*, 22 F.3d 290, 294, 30 USPQ2d 1455, 1458. (See cf. *AT & T* at 1453 (with respect to the lack of helpfulness in determination of a "useful, concrete, tangible result.")) While *AT & T* clarifies that structure need not be present in the claim language for process claims to be directed to statutory subject matter, the Court appears to impliedly weigh that the process is carried out by a network of computers and telephone switches being used in the flow of communications, but here we do not have a similar factual situation.

The Court in AT & T stated that "the Alappat inquiry simply requires an examination of the contested claims to see if the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a 'law of nature' or an 'abstract idea,' or if the mathematical concept has been reduced to some practical application rendering it 'useful.'" AT & T at 1544 (citing *In re Alappat*, 33 F.3d at 1581, 31 USPQ2d at 1557).

In AT & T at 1450, the Court [\*21] stated that: "this court recently pointed out that any step-by-step process, be it electronic, chemical, or mechanical, involves an 'algorithm' in the broad sense of the term. See *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, U.S. , 119 S. Ct. 851 (1999)." While I agree with the Court's analysis of an algorithm, the Court assumes that the algorithm is in an "electronic, chemical, or mechanical" based invention which I would find to be more than a mere recollection of the culmination of an abstract idea separate from the "electronic, chemical, or mechanical" technologies as in the present disclosed and claimed invention.

The Court in AT & T went on to state that "as this brief review suggests, this court (and its predecessor) has struggled to make our understanding of the scope of Section 101 responsive to the needs of the modern world." (Emphasis added.) AT & T at 1450. While I agree that the development of the information era has pushed the envelope of statutory subject matter to embrace [\*22] the technological advancement and immense flexibility of the computer software-based inventions, as has the evolution of biotechnology, but here, I find that the claimed invention is not a product of the "modern world" with which the Court has struggled since there is not involvement of the traditional sciences there can be no advancement of the "useful arts" as the Constitution empowered Congress. Therefore, I agree with the majority and would sustain the rejection of claims 1-18 as directed to nonstatutory subject matter. I concur with the majority with respect to their decision with respect to the rejections under 35 U.S.C. § § 112 and 103.

With the holding of the above type of claim as statutory subject matter, abstract thought and analysis of any interest would still be available, but once an individual seeks to record their analysis, they would infringe the present claim at issue. I believe that this was not the intent of Congress or the intent of our forefathers who set forth the authority for our patent system in the U.S. Constitution.

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## Attachment 2

location, the frequency that a consumer exercises promotions, the demographic characteristics of the individual, the purchase history of the individual, the particular circumstances in the individual's life, the indicated tastes of the individual, and/or other characteristics that can be used to identify that the individual possesses certain traits. The desires of a promoter might also be used to time the provision of a promotion based upon promotions received, and these might be determined using factors such as the amount of money that a promoter might be willing to pay for a certain time and/or type of provision of promotion.

As used herein, the term "promotion" refers to any offer, advertisement, flier, newsletter, incentive, coupon, commercial, recipe, and/or communication for promoting one or more goods and/or services.

As used herein, to "exercise" a promotion refers to any redemption, consumption, employment, application, availment, wielding, exploitation, viewing, use, hearing, and/or reading of a promotion.

As used herein, a "promoter" is any company, manufacturer, distributor, retailer, wholesaler, service provider, individual, and/or any other entity that wishes to provide promotions related to the promoter's product and/or service to consumers.

As used herein, a "provider of promotions" is any company, manufacturer, distributor, retailer, wholesaler, service provider, individual, and/or any other entity that will provide promotions to consumers, or cause promotions to be delivered to consumers.

Although providers of promotions are discussed herein as being separate entities from promoters, this is not necessary to practice the present invention. For example, a single retailer can time the distribution of promotions by the retailer and related to the retailer's own product(s) using the present invention. Thus, the "promoter" and "provider of promotions" need not be separate entities.

### BRIEF DESCRIPTION OF THE DRAWINGS

A more complete appreciation of the invention and many of the attendant advantages thereof will be readily obtained as the same become better understood by reference to the following detailed description when considered in connection with the accompanying drawings, wherein:

## Attachment 3

Attachment 3 is a copy of the definition of promotion as defined by the American



promotion

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pro·mo·tion Pronunciation Key (prə-mō'shən)  
n.

1. The act of promoting or the fact of being promoted; advancement.
2. Encouragement of the progress, growth, or acceptance of something; furtherance.
3. Advertising; publicity.

pro·mo·tion·al *adj.*

pro·mo·tion·al·ly *adv.*

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pro·mo·tion (prə-mō'shən)  
n.

The stimulation of the progress or growth of a tumor following initiation by a promoter.

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### **promotion**

**n** 1: a message issued in behalf of some product or cause or idea or person or institution [syn: publicity, promotional material, packaging] 2: act of raising in rank or position [ant: demotion] 3: encouragement of the progress or growth or acceptance of something [syn: furtherance, advancement] 4: the advancement of some enterprise; "his experience in marketing resulted in the forwarding of his career" [syn: forwarding, furtherance]

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## Did You Ever Notice? Official Notice in Rejections\*

Lance Leonard Barry\*\*

Jerry Seinfeld, a popular stand-up comedian and television actor, is known for beginning his comedy routines with the question, "Did you ever notice...?"<sup>1</sup> Many Patent Examiners (Examiners) at the United States Patent and Trademark Office (PTO) could answer the question positively. This is because many of them "notice," i.e., take official notice of, well-known facts when composing rejections of claims.

Under the doctrine of official notice, an Examiner need not produce a printed document to prove the existence of a fact that was well known at the time of an invention.<sup>2</sup> He may instead take official notice as to its existence.<sup>3</sup> Taking official notice bypasses the normal process of proof. It relies on facts and opinions not supported by evidence on

\* © 1999, All Rights Reserved, Lance Leonard Barry, Esq. The opinions expressed herein are solely the author's and do not necessarily represent the opinions of the United States Patent and Trademark Office (PTO). The author thanks William Winkler, Esq., a Primary Examiner at the PTO, and Robert A. Weinhardt, an Examiner-Trainer at the PTO who also developed courses for the PTO's Patent Academy (Academy), for reviewing a draft of this note.

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1 See Dave Kutzman, *Did You Ever Notice how People Will Read Anything*, 81 Daily Egyptian Online 107 (Mar. 5, 1996) (<http://www.dailyegyptian.com/spring96/030596peoplead.html>).

2 PTO, *MANUAL OF PATENT EXAMINING PROCEDURES* (M.P.E.P.) § 2144.03 (7th ed., July 1998). The M.P.E.P. has been held to describe "procedures on which the public can rely." *Patex Corp. v. Mearns*, 758 F.2d 594, 606, 225 USPQ 243, 232, modified, 771 F.2d 480, 226 USPQ 985 (Fed. Cir. 1985); *In re Kaplan*, 387 F.2d 398, 401, 56 USPQ 130, 132 (CCPA 1967); *Edison v. Quigg*, 849 F.2d 1425, 1425, 7 USPQ2d 1152, 1154 (Fed. Cir. 1988); *Paperless Accounting v. Bay Area Rapid Transit System*, 804 F.2d 659, 662, 21 USPQ 649, 651 (Fed. Cir. 1986).

3 See *Ex parte Crispy*, 201 USPQ 689, 695 (Bd. Pat. App. & Int. 1976) ("[T]he... must support the legal conclusion of obviousness under 35 USC 103. Such facts must flow from the prior art either by way of specific reference or by generally known facts of which official notice may be taken." (emphasis added)).

the record.<sup>4</sup> As such, it is imperative that Examiners and patent attorneys and agents understand the guidance given on the use of official notice to reject claims.

This note aims to increase their understanding in three parts. Part I explains the rationale for official notice. Part II addresses its scope. Part III outlines the use of notice.

### I. RATIONALE FOR OFFICIAL NOTICE

As mentioned above, an Examiner need not produce a reference<sup>5</sup> to prove the existence of a fact well known at the time of an invention.<sup>6</sup> He may take official notice of its existence.<sup>7</sup> Administrative efficiency and administrative expertise are two rationales for the doctrine of official notice. These will be explained *seriatim*.

Administrative efficiency is one rationale for official notice. Like its courtroom counterpart judicial notice,<sup>8</sup> official notice derives from the legal maxim *manifesta* [or *notoria*] *non indigent probatione*, i.e., "what is known need not be proved." The maxim may be traced so far back in civil and canon law that it is probably coeval with legal procedure itself.<sup>9</sup> Back in 1875, for example, the United States Supreme Court observed that to require proof of every fact "would be utterly and absolutely absurd."<sup>10</sup> Where a fact is known, the process of proving it is "time-consuming and unduly formal."<sup>11</sup> When a fact has been proven already, further proof becomes "futile, redundant, and lacking in common sense."<sup>12</sup> At times, moreover, even an obvious fact can be difficult or time-consuming to prove, without affecting a result that was never in doubt.<sup>13</sup>

<sup>4</sup> 2 KENNETH S. BROUN ET AL., MCCORMACK ON EVIDENCE § 359, at 536 (John W. Strong ed., 4th ed. 1992).

<sup>5</sup> A reference is a patent or other printed document used in the rejection of claim. M.P.E.P. § 904.

<sup>6</sup> *Id.* at § 2144.03.

<sup>7</sup> See *Clary*, 201 USPQ at 695.

<sup>8</sup> That matters of common knowledge may be judicially noticed is a doctrine long and well established. *In re Malachuk*, 129 F.2d 529, 553, 54 USPQ 235, 238 (CCPA 1942).

<sup>9</sup> JAMES BRADLEY THAYER, A PLEADINGARY TREATISE ON EVIDENCE AT COMMON LAW 277 (Boston, Little Brown & Co. 1898).

<sup>10</sup> *Brown v. Paper*, 91 U.S. 37, 42 (1875).

<sup>11</sup> BROUN, *supra* note 2, § 359, at 537-38.

<sup>12</sup> *Id.* at 538.

<sup>13</sup> *Id.*

An Examiner is allotted a limited time to dispose of a patent application<sup>14</sup> and is also directed to bring prosecution of the application to as speedy a conclusion as possible.<sup>15</sup> Official notice empowers the Examiner to use time efficiently to make a speedy and just determination of issues in the application.<sup>16</sup> More specifically, it frees the Examiner from having to spend unnecessary time finding a reference to prove the existence of a fact well known at the time of an invention.<sup>17</sup>

Administrative expertise is another rationale for official notice. Administrative agencies were created to allow regulation of matters by persons knowledgeable in the matters.<sup>18</sup> They were also created to serve as repositories of specialized knowledge and experience.<sup>19</sup> It would "defeat [the] existence" of these agencies to force adherence to traditional methods of proof when alternative and equally fair methods are available.<sup>20</sup>

As an administrative agency, the PTO possesses technical knowledge and expertise in determining the patentability of inventions.<sup>21</sup> It is a knowledge and expertise that Justice (then Circuit Judge) Stevens admitted generally is not possessed by federal judges.<sup>22</sup> In particular, the Examiners of the PTO are highly trained scientists and engineers of the highest caliber.<sup>23</sup> They possess an independent and specialized

<sup>14</sup> Cf. Michael J. Mezzures ET AL., *Strategic Concerns when Pursuing Foreign Patents in The Computer Arts*, THE COMPUTER LAWYER, Mar. 1998, at 17, 23 (noting that the European Patent Office's examiners are "allowed more time to examine each application" than the PTO's Examiners); DAVID PRESSMAN, *PATENT IT YOURSELF* 13/6 (5th ed. 1996) (noting that Examiners are expected to dispose of a certain number of patent applications).

<sup>15</sup> M.P.E.P. § 706.07. See also PTO, A PATENT AND TRADEMARK OFFICE REVIEW 8-9 (Fiscal Year 1997) (setting a first strategic goal of reducing "patent cycle time").

<sup>16</sup> M.P.E.P. § 904.02.

<sup>17</sup> *Id.* at § 2144.03 ("[T]he examiner should not be obliged to spend time to produce documentary proof").

<sup>18</sup> 4 BASIL J. MEZZURES ET AL., *ADMINISTRATIVE LAW* § 23.01 (1980).

<sup>19</sup> BROUN, *supra* note 2, § 359, at 538.

<sup>20</sup> *Id.*

<sup>21</sup> *Plastic Container Corp. v. Continental Plastics of Okla., Inc.*, 708 F.2d 1554, 1557, 219 USPQ 26, 28 (10th Cir. 1983).

<sup>22</sup> *Chicago Rawhide Mfg. Co. v. Crane Packing Co.*, 523 F.2d 452, 458, 187 USPQ 540, 545 (7th Cir. 1975). See also *Nat'l Bus. Systems, Inc. v. AM Int'l, Inc.*, 743 F.2d 1227, 1232, 223 USPQ 1011, 1014 (7th Cir. 1984) ("The courts generally defer to the technical expertise possessed by the [PTO] in originally issuing a patent. This expertise and corresponding judicial deference are the practical underpinnings of the statutory presumption of validity surrounding patents."); *Aqua-Chem, Inc. v. Baldrige-Lima-Hamilton Corp.*, 67 USPQ 257, 261 (N.D. Ill. 1976) ("The [PTO] has developed a certain amount of technical expertise which most judges lack.")

<sup>23</sup> PTO, *Patent Examiner Positions*, ¶ 1 (last modified July 1, 1996) (<http://www.uspto.gov/web/offices/pa/atrpa/ohr/employment/exam.htm#org>).

<sup>24</sup> See PTO, *supra* note 15, at 8.



Unlike judicial notice,<sup>43</sup> official notice may be taken not only of a fact that is widely notorious but also of a fact that is capable of "instant and unquestionable demonstration."<sup>44</sup> *In re Ahlert*<sup>45</sup> provides an archetypical example of an instant and unquestionably demonstrable fact. Ahlert involved the patentability of claims specifying a technique for controlling the rate of cooling a weld between two sections of railroad rail. The technique produced a tough, crack-free weld having reduced internal stresses.<sup>46</sup>

In affirming an Examiner's rejection of the claims, the Board took notice that it was common practice in the art of welding to posttreat a weld after completing the corresponding welding operation. It also officially noticed the practice in the art of adjusting the intensity of a flame according to heat requirements.<sup>47</sup> On appeal, the applicant contested the propriety of the Board's notice, urging that the facts were "...not so notorious and well known that any court would be justified in taking judicial notice thereof."<sup>48</sup> The CCPA was not persuaded. It upheld the right to take official notice of facts that "while not generally notorious, are capable of such instant and unquestionable demonstration as to defy dispute."<sup>49</sup>

*In re Perkins*<sup>50</sup> offers another example of an instant and unquestionably demonstrable fact.<sup>51</sup> *Perkins* involved the patentability of claims specifying an alloy containing tantalum and titanium. Addition

provides an example of a widely notorious fact noticed by the court. In affirming a rejection of claims specifying an interactive automobile service station, the Federal Circuit took judicial notice of the "ubiquitous" use of video to display programming information and other information. *Id.* at 1040, 28 USPQ2d at 1632. The fact is notorious. Laymen frequently consult video screens for the arrival and departure times of trains or airplanes, for weather reports, or for stock quotes. See also *In re Wright*, 866 F.2d 422, 426, 9 USPQ2d 1649, 1652 (Fed. Cir. 1989) (taking notice of the "widespread" use of "carbonless paper" in manifold business forms).

43 Official notice is broader than judicial notice. Any matter capable of being judicially noticed also is capable of being officially noticed. The converse is not true. Officially noticed matters do not necessarily fall into categories that bring them within the confines of judicial notice. *MEZNER*, *supra* note 18, § 25.01, at n.4.

44 *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970) (confusingly using the expression "judicial notice" rather than "official notice").

45 424 F.2d 1088, 165 USPQ 418 (CCPA 1970).

46 *Id.* at 1089, 165 USPQ at 418-19.

47 *Id.* at 1090, 165 USPQ at 420.

48 *Id.* at 1091, 165 USPQ at 420.

49 *Id.*, 165 USPQ at 420.

50 346 F.2d 981, 146 USPQ 63 (CCPA 1965).

51 There is room for reasonable minds to disagree over whether a particular fact is widely notorious or instantly and unquestionably demonstrable.

of titanium to tantalum produced improvements over the properties of unalloyed tantalum.<sup>52</sup>

In affirming a rejection of the claims, the Board took notice that for many years tantalum had been worked into sheet and wire form and used for its corrosion resistance in the chemical industry.<sup>53</sup> The CCPA accepted this notice and affirmed the Board's decision.<sup>54</sup> Admittedly, this fact is not widely notorious. Many laymen do not know what tantalum is, not to mention its uses and properties. The fact, however, is instantly and unquestionably demonstrable by one of ordinary skill in the art.

The scope of official notice is not as broad as it might appear at first. The CCPA warned that it would construe narrowly the scope of facts that may be noticed and the conclusions that may be drawn from the facts.<sup>55</sup> *In re Spormann*<sup>56</sup> provides an example of this narrow construction. *Spormann* concerned the patentability of claims specifying a process for producing solid alkali metal sulfites from alkali metal hydroxides or carbonates. The process involved "spraying the latter, in an aqueous solution, into a dry gas containing sulfur dioxide, the temperature and humidity of the gas being such as to immediately vaporize the water to the end that very little sulfate is produced."<sup>57</sup>

In affirming a rejection of the claims, the Board appeared to take notice that spray drying was an old expedient for obtaining a solute in dry form.<sup>58</sup> The CCPA reversed the rejection. "While we have heard of spray drying," the court commented, "it is not a technique of which we would feel free to take judicial notice."<sup>59</sup> The CCPA added "if the Patent Office wishes to rely on what 'Those familiar with spray drying would know,' it must produce some reference showing what such knowledge consists of."<sup>60</sup>

Accordingly, an Examiner should exercise care in deciding whether a fact is amenable to official notice. He should not take notice

52 *Perkins*, 346 F.2d at 982, 146 USPQ at 64.

53 *Id.* at 984, 146 USPQ at 66.

54 *Id.*, 146 USPQ at 66.

55 *In re Perkins*, 346 F.2d 912, 917, 214 USPQ 673, 677 (CCPA 1982); *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). But cf. *In re Howard*, 394 F.2d 863, 872, 157 USPQ 615 (CCPA 1968) (Kirtzpatrick, J., concurring) (observing that "the limits of judicial notice, particularly in patent cases, are expanding and the field of notice is now pretty broad.").

56 363 F.2d 444, 447, 150 USPQ 449, 452 (CCPA 1966).

57 *Id.* at 444, 150 USPQ at 449 (emphasis omitted).

58 *Id.* at 447, 150 USPQ at 452.

59 *Id.*, 150 USPQ at 452.

60 Before 1975, the PTO was known as the Patent Office. *Barry, supra* note 34, at 845 n.35.

of a fact normally subject to the possibility of rational disagreement among reasonable men.<sup>62</sup> Facts constituting the state of the art, for example, are in this category.<sup>63</sup> If the Examiner has a "reasonable doubt" whether a fact may be noticed, he should not take notice of it.<sup>64</sup>

### III. USE OF OFFICIAL NOTICE

The CCPA has required that an applicant for a patent be "amply apprised" of a taking of official notice.<sup>65</sup> Accordingly, an Examiner should make clear when and for what he is relying on notice. The former can be accomplished by including the expression "official notice is taken" in an Office action.<sup>66</sup> The latter can be accomplished by mapping the exact and complete language of a pending claim to a noticed fact.<sup>67</sup>

An Examiner bears the initial burden of presenting a *prima facie* conclusion of obviousness.<sup>68</sup> Although official notice relieves the Examiner from producing a reference to prove the existence of a well known fact,<sup>69</sup> it does not free him from the other requirements for establishing a *prima facie* conclusion.<sup>70</sup> Among these requirements are

<sup>62</sup> *In re Eynolds*, 480 F.2d 1364, 1370; 178 USPQ 470, 474 (CCPA 1973); *In re Barr*, 444 F.2d 588, 591 n.3, 170 USPQ 330, 334 n.3 (CCPA 1971).

<sup>63</sup> *Eynolds*, 480 F.2d at 1370, 178 USPQ at 474. Also in this category is "the skill of a person or ordinary skill in either computer programming or design in 1970," which was held to be not a proper subject for notice in 1982. *In re Parde*, 684 F.2d 912, 917, 214 USPQ 673, 677 (CCPA 1982).

<sup>64</sup> *Cf. Brown v. Piper*, 91 U.S. 37, 42-43 (1875) (regarding judicial notice).

<sup>65</sup> *In re Albert*, 424 F.2d 1083, 1091, 165 USPQ 418, 421 (CCPA 1970).

<sup>66</sup> See PTO, *TECHNOLOGICAL CTR. 2700, WORKSHEET 2760 TRAINING MANUAL* 4-8 to 4-9, 4-11 (Sept. 25, 1998). An Office action is an official, written communication from the PTO to an applicant or his attorney that raises some objection, requirement, or rejection and includes a concise explanation of the reasons therefor. The Office action may also indicate any allowable subject matter. *PETER D. ROSENBERG, PATENT LAW FUNDAMENTALS* § 15.03[1] (2d ed. 1998 rev.).

<sup>67</sup> *Cf. LANCE LEONARD BARRY ET AL., OBVIOUSNESS UNDER 35 U.S.C. 103, BASIC STUDENT'S MANUAL* 27 (Aug. 4, 1998) (instructing an Examiner to use "the complete and exact language of the claims" when writing a rejection).

<sup>68</sup> *In re Fiaschetti*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). A *prima facie* case of obviousness is established when the teachings from the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art. *In re Rischert*, 531 F.2d 1048, 1051, 189 USPQ 143, 147 (CCPA 1976). If the Examiner does not make a *prima facie* case, an applicant is under no obligation to submit evidence of nonobviousness. *In re Oetzel*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). Once the Examiner does produce a *prima facie* case, the burden of going forward with evidence shifts to the applicant. *Fiaschetti*, 745 F.2d at 1471-72, 223 USPQ at 788.

<sup>69</sup> M.P.E.P. § 2144.03.

<sup>70</sup> *Ex parte Grochowski*, No. 95-1343, at 5 (Bd. Pat. App. & Int. June 27, 1995) (observing "that just because elements are old and well known in the art does not render their combination obvious *per se*").

employing analogous art and identifying a suggestion for combining teachings. These requirements will be explained *separatim*.

To qualify as prior art for obviousness, art must be analogous, i.e., in the field of an applicant's endeavor or reasonably pertinent to the particular problem with which the applicant was concerned.<sup>71</sup> When writing a rejection employing official notice an Examiner should state that a fact being noticed was well known *in an analogous art* and should name the art.<sup>72</sup> The Examiner should also state that the fact was well known at the time of the invention, i.e., at the time the patent application was filed.<sup>73</sup>

Once it has been shown that a noticed fact could have been used because it was known in an analogous art, a suggestion, i.e., a motivation, must be shown for its proposed use. The suggestion must be based on more than the mere existence of the noticed fact.<sup>74</sup> The prior art as a whole must have contained something to suggest the "desirability" of using the noticed fact to modify a prior art reference.<sup>75</sup> An Examiner accordingly must explain a suggestion for employing the noticed fact in a rejection.<sup>76</sup>

When the decision of an administrative agency such as the PTO rests on official notice of a fact, a party is entitled to challenge the notice.<sup>77</sup> If an applicant for a patent does not "seasonably" traverse a fact officially noticed during examination, it becomes an admission of prior art.<sup>78</sup> A seasonable challenge is "a demand for evidence made as

<sup>71</sup> *In re Oetzel*, 977 F.2d 1443, 1447, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992); *In re Wood*, 599 F.2d 1032, 1036, 202 USPQ 171, 174 (CCPA 1979).

<sup>72</sup> See, e.g., *Looney Prods., Inc. v. Outler-Hammer, Inc.*, 568 F.2d 784, 798, 195 USPQ 472, 481 (6th Cir. 1977) (taking notice of the fact that the principles of curving, pivoting and bridging were well known "in the mechanical arts").

<sup>73</sup> The applicant of *In re Lewis*, 96 F.2d 1009, 37 USPQ 786 (CCPA 1938), argued that the Board's expression that a broadcasting practice was "now well known in the art" should be construed to mean that the practice was known at the time the Board wrote its opinion. The CCPA declined to do so. The court instead interpreted the expression as meaning that the practice was known at the time the applicant's application was filed. *Id.* at 1011; 37 USPQ at 788. It is better to preclude such an argument by stating that a fact was well known at the time of the invention.

<sup>74</sup> *Grochowski*, No. 95-1343, at 5.

<sup>75</sup> *Linderman Maschinenfabrik GmbH v. American Host and Derrick Co.*, 730 F.2d 1452, 1462, 221 USPQ 481, 488 (Fed. Cir. 1984).

<sup>76</sup> *Cf. Barry*, *supra* note 67, at 27 (instructing an Examiner to explain a suggestion/motivation for modifying references used in a rejection).

<sup>77</sup> See Administrative Procedure Act, 5 U.S.C. § 556(e) (1996).

<sup>78</sup> M.P.E.P. § 2144.03. *Cf. In re Gubler*, 125 F.2d 1020, 1023, 52 USPQ 465, 468 (CCPA 1947) (accepting a statement by an Examiner of what was well known in the art because an applicant failed to challenge the statement "before the Patent Office."); *In re Chevenus*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943) (refusing to consider an applicant's statement in his brief because *inter alia* the applicant failed to demand that an Examiner produce authority for his statement); *In re Lundberg*, 244 F.2d 543, 551, 113 USPQ 530, 537 (CCPA 1957) ("[T]he board

soon as practicable during prosecution.<sup>77</sup> An applicant is charged with rebutting a taking of notice in the response to the Office action in which the notice was taken.<sup>80</sup>

A challenge may take the form of a demand for evidence that a noticed fact was well known.<sup>81</sup> If an applicant demands such evidence, an Examiner should cite a reference showing the fact in the next Office action.<sup>82</sup> Such a citation is unnecessary if the applicant does not challenge the notice.<sup>83</sup> If the reference is cited only as evidence of the prior official notice, its addition does not amount to a new ground of rejection.<sup>84</sup> Barring any other impediments to finality,<sup>85</sup> the Office action may be made final.<sup>86</sup>

### CONCLUSION

This note sought to increase understanding of official notice in three parts. The first part explained that the rationale for official notice was twofold. Notice helps an Examiner use his limited time efficiently and permits him to rely on his scientific or engineering expertise. The second part addressed the scope of official notice. It explained that the Examiner may take notice of a fact that is widely notorious or is instantly and unquestionably demonstrable.

<sup>77</sup> stated that the use of feedback members in electrical circuits (was) well known. Appellants have failed to question the accuracy of the statement... and did not present any evidence to contradict it. Therefore we are constrained to accept it as true." 79 M.P.E.P. § 2144.03.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* The CCPA has stated that a challenge to notice taken by the Board must contain adequate information or argument to create on its face a reasonable doubt about the propriety of the notice. *In re Boon*, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA 1971). At least one patent practitioner, moreover, has advised that an applicant challenging notice taken by an Examiner should include affidavit evidence by a person skilled in the specific art relating to the patent application. *Doveva*, *supra* note 28, at 195.

<sup>82</sup> M.P.E.P. § 2144.03.

<sup>83</sup> *In re Sun*, 31 USPQ2d 1451, 1454 (Fed. Cir. 1993).

<sup>84</sup> See *Boon*, 439 F.2d at 727-28, 169 USPQ at 234.

<sup>85</sup> A second or subsequent Office action on the merits shall be final unless an Examiner has introduced a new ground of rejection that is neither necessitated by an applicant's amendment of claims nor based on information submitted in an information disclosure statement (IDS) filed during the period set forth in 37 C.F.R. § 1.97(c). Where information is submitted in an IDS during the period, the Examiner may use the information submitted and still make the next Office action final regardless of whether the claims have been amended, provided that he introduces no other new ground of rejection that was not necessitated by amendment to the claims. A second or subsequent action on the merits in any application will not be made final, furthermore, if it includes a rejection on newly cited art, other than information submitted in an IDS filed under § 1.97(c), of any claims not amended by the applicant regardless of the fact that other claims may have been amended to require novelty cited art. M.P.E.P. § 706.07(g).

<sup>86</sup> *Id.* at § 2144.03; see also PTO, *supra* note 66, at 4-5.

The third part outlined the use of official notice. It explained that the Examiner should make clear when and for what he is relying on notice. He should also ensure that a noticed fact was well known in an analogous art and that a suggestion existed for using it. The third part also explained that in response to an applicant's seasonable challenge of the taking of notice, the Examiner should cite a reference showing the noticed fact in the next Office action. Barring any other impediments to finality, the Examiner should still make the action final. Armed with the knowledge provided in this note, Examiners should have a greater understanding of when and how to use official notice... and a new insight into the comedy of Jerry Seinfeld!

### **APPENDIX 3 - RELATED PROCEEDINGS APPENDIX**

There are no decisions rendered by a court or the Board in any proceeding identified pursuant to paragraph c(1)(ii) of this section.

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